India is witnessing a series of changes since early nineties. Recently, the Sensex crossed 20,000 points and simultaneously India ranked in 94th out of 118 countries in the Global Hunger Index - behind Ethiopia. Unprecedented numbers of farmer suicides, big corporate houses entering into retail business, land allocation for Special Economic Zones, boom in information technology and IT enabled services, zero growth rates in employment, are among many such events that needs introspection. In recent years the Indian government has made huge investments in development of infrastructure like roads, telecommunication, etc. It has also passed legislation to benefit rural citizens. However, civil society organizations are often unaware of such legislation and they fail to leverage the benefits. Corporate houses, private business houses and largely urban citizens are making effective use of the provisions. Thus, the benefits are inequitably distributed between the rural and urban areas. This rural-urban divide in accessing infrastructure services coupled with inability of civil society organizations to utilize the existing provisions has contributed to the slow growth of livelihood opportunities in rural areas.

Initial poverty eradication efforts in India concentrated on supply of agricultural technologies, inputs and services that were often ‘production’ orientated. However, they were not targeted towards the poor or were largely inappropriate to the needs of the poor and the benefits were mostly captured by the wealthy. Later, the approach changed towards ‘capacity-building’ in sector organisations to equip people and organisations with the skills and resources to do a better job but, overall little has changed since the new skills are not used. All these approaches tended to be sectoral and supply-driven and the results were not very encouraging. The concept of livelihoods and livelihoods analysis emerged in the mid nineties - closely associated with poverty reduction strategies. Understanding the livelihood systems of the poor is crucial to effective poverty reduction. Livelihoods of the poor can never be understood in any one-track logic - be it economic, social, technical, cultural or political. The livelihood systems are made up of very diverse elements which - taken together - constitute the physical, economic, social and cultural universe wherein the families live. Thus, the livelihood system is more than just a set of physical-economic preconditions for continued existence. It also encompasses psychosocial dimensions of experience of living. The livelihoods approach puts households of the poor as its central focus. It takes holistic consideration of things that the poor might be vulnerable to, assets and resources that help them thrive and survive, policies and institutions that impact their livelihoods, how the
poor respond to threats and opportunities and what sort of outcomes the poor aspire to. Agriculture and allied activities support livelihoods of nearly 70 percent of India’s rural population. In recent years, land based livelihoods of small and marginal farmers are increasingly becoming unsustainable, since their land has not been able to support the family’s food requirements and fodder for their cattle. As a result, rural households are forced to look at alternative means for supplementing their livelihoods.

**Changing Trends in Agriculture**

Majority of the India farmers derive their livelihood from agriculture. During the Tenth Five Year Plan, gross domestic product (GDP) originating from agriculture and allied activities was 2.3 percent compared to 8.0 percent in the industrial sector and 9.5 percent services sector. During this plan period, the growth in the agriculture and allied activities averaged 2.3 percent which is lower than that of 3.2 percent during the 1990s and 4.4 percent during the 1980s. Also, there is a shift from staples to cash crops which is the major reason for food insecurity. From 1960-61 to 1998-99 the area under grain crops has gone down from 45 million hectares to 29.5 million hectares, area under cotton has increased from 7.6 to 9.3 million hectares and area under sugarcane has increased from 2.4 to 4.1 million hectares. Since 1990-91, due to the new economic policies, the area under food grains and coarse grains have declined by -2 and -18 percent respectively while area under non-food cash crops such as cotton and sugar-cane have increased by 25 and 10 percent respectively.

However, production of milk has increased from 84.4 m tonnes (2001-02) to 97.1 m tonnes (2005-06). Production of eggs has increased from 38729 millions (2001-02) to 46231 millions (2005) (Ghatak, 2007). Notwithstanding increased availability of milk, fruits, vegetables, fish and other produce, the agricultural sector is facing the new challenges of diminishing land resources, factor productivity decline, threatened loss of bio-diversity, natural resource degradation, widening economic inequality, etc that have serious implications on the livelihoods of the poor. Indian agriculture has also come under significant adjustment pressure from market liberalisation and globalisation.

**Migration and Livelihoods**

Every year millions of poor families migrate in search of work. They are forced to migrate due to a livelihoods collapse in the villages. These distress migrants often lock their homes, take a few meager belongings and move across long distances. The children accompanying their
parents are forced to drop out of school. The numbers of such children under the age of 14 years is estimated to be around 9 million. Given the difficulties encountered by illiterate and under-informed migrants in accessing provisions that have been made for them by the State, there appears to be a need for support from elsewhere. A number of civil society organisations have taken up the cause of building the capacity of migrants to demand their rights from contractors and government officials.

A particularly striking example of a successful migrant support programme is the one initiated by the Grameen Vikas Trust (GVT). It has worked closely with the panchayats of source villages and has developed an informal system of identity cards for migrants. GVT has liaised with NGOs in the neighbouring state of Rajasthan to set up migrant resource centres that provide them with information on job availability, wage rates and rights.

By all accounts such migrant support programmes have achieved more success than official programmes.

**Trends in Rural Non-Farm Sectors**

Interestingly, development of the RNFS in the 1980s resulted in a remarkable reduction in poverty. However, this is an area which has received casual treatment from the policy makers, economists, politicians, social activists, entrepreneurs and more importantly, the communities themselves. Despite this neglect, it is said that 90 percent of the additional employment during the reform period was due to the non-farm sector. According to the National Sample Survey, the percentage of employment in the RNFS in total rural employment increased from 18.4 per cent in 1983, to 21.6 per cent in 1993-94 and 23.8 per cent in 1999-2000. The additional employment created in the RNFS during the reform period was 8.54 millions. Out of these, 36 percent of the additional employment in RNFE during the reform period was due to construction, 27 percent was due to manufacturing and repair services and 25.5 percent was due to transport, storage and communication. The contribution of retail trade was 13 percent while that of hotels and restaurants was only 4 percent. In the case of community and personal services, there was a decline in employment while the employment of social services (education and health) increased. The shares show that around 63 percent of the additional employment was due to construction and transport, storage and communications. It is not clear whether the creation of additional employment in these activities led to improvements in the well being of the poor.
Although the RNFS has tremendous potential of removing unemployment in villages, the government has not been serious to address the basic problems plaguing this sector. Major bottlenecks in the holistic development of the RNFS are poor quality of employment and incomes, shortage of skilled manpower, unavailability of credit facilities, absence of marketing networks, poor transportation facilities, low public investment in villages, lack of basic amenities in rural areas, poor law and order scenario, erratic power supply, etc. Besides, not much has been done to develop technologies relevant for the sector. Entrepreneurs are by and large reluctant to invest in the rural non-farm sector. Not many NGOs and political groups are engaged in empowering the rural communities to be proactive and develop RNFS enterprises on their own.

Globalisation and Vulnerability

Rural livelihoods are adversely affected by the process of Globalisation. As a result Special Economic Zones (SEZ) are created across India to promotion exports. The government claimed that exports will ultimately grow five times, GDP will increase by 2 percent, and 30 lakh jobs will be generated by SEZs across India. The government also claimed that SEZs will attract global manufacturing through Foreign Direct Investment (FDI), enable the transfer of modern technology and create incentives for infrastructure. As on 2008, the central government has approved 237 SEZs in 19 states (occupying 86,107 hectares) out of which 63 of these SEZs have already been notified. Around 23 SEZs are operational, 18 in the IT sector.

Reliance Industries has sought permission to build India's biggest Special Economic Zone near Mumbai comprising more than 14,000 hectares of land. Similarly, Some 400 SEZ projects, offering incentives to big businesses had been approved (formally and in-principle) amounting to 1,25,000 hectares. Some national level estimates show that close to 114,000 farming households and an additional 82,000 farm worker families that are dependent on these farms for their livelihoods will be displaced. The total loss of income to farming and farm worker families is at least Rs 212 crore a year not include other income lost due to the demise of local rural economies. Such developments by the MNCs and Corporate Sector are playing with the emotional, economical and cultural interests of farmers, fisherfolk, salt-pan workers and agriculturists in the area. Their entire livelihood is dependent on the farmland. It is an amazing feature of this exclusive area of India where people have farmlands and they also do inland fishing. India’s Special Economic Zones have drawn sharp criticism from a wide range of environmental and human rights groups, as well as farmers, villagers, fishing and agricultural workers who face losing their land, homes and livelihoods. Critics point to a lack of transparency and unwillingness to hold open public consultations on the SEZ issue.
Correspondingly, the entry of corporate retail into India is nothing but a hijack of India’s vibrant, well organized retail service economy. Corporate retail will not create two million jobs; but it will destroy 38 million livelihoods of people involved in running small shops and street markets. The growth being projected as a new contribution to the economy hides the destruction of the contribution of the 40 million people involved in small retail to the Indian economy. Corporate retail is being described as organized retail. And small scale decentralized and highly networked indigenous retail is being falsely referred to as unorganized. However Indian trade is highly organized and has existed for centuries on the basis of low cost and high efficiency. India needs the self organized skills of our traders, shopkeeper, hawkers and vendors both to provide employment to millions and affordable friendly community service for basic needs to society.

India’s retail democracy is characterized by high levels of livelihoods in retail with nearly 40 million employed accounting for 8 percent of the employment and 4 percent of the entire population. It is predominantly self organized with low capital input and highly decentralised. In a country with large population and high levels of poverty, this model of retail democracy is the most appropriate in terms of ecological sustainability and economic viability. By 2011, more than 6600 mega stores are planned with investment of Rs. 40,000 crore. Reliance plans to invest $5 billion over next four years to open thousands of retail stores. Walmart’s partner Bharti also plans to invest up to $2.5 billion in new stores in the next eight years. The entry of the giant corporate retail in India’s food market will have direct impact on India’s 650 million farmers and 40 million people employed in tiny retail

Information Systems for Sustainable Rural Livelihood Security

Development projects need relevant and good quality information. By definition, development interventions are oriented to changing people’s lives. They attempt to target those who are marginalized and vulnerable to disruptions. Projects are designed based on information that they have about the people in question, their needs, conditions, and concerns. When organizations base their actions on insufficient or faulty information, the result is a misplaced intervention that has little correspondence to the needs the poor. Such projects may actually have a negative effect on poor as they undermine traditional practices or cause local communities to invest their scarce resources in unviable activities. Vulnerable populations may actually become more destitute as a result of such poorly informed interventions. There are many successful information and communication technology (ICT) initiatives in India oriented towards rural development. Now this has received due attention of policy makers, implementers for success of
E-government projects through National e-governance plan (NeGP). The objective of NeGP is to provide a portfolio of services to the citizens through common service centers (CSC) integrated with e-government backbone to not only set up a good e-governance system but also to establish a support structure for sustainable livelihood opportunities. In order to support the rural households, the Government of India is planning to set up 100,000 common service centers (CSC) for 600,000 by September 2008. The financial outlay was around Rs. 23,000 Crores. These centers are expected to provide 80 common services with active support from district, state and central administration as well as business sector. The CSCs are meant for optimising transaction cost and time. It is also envisaged that these CSCs will support on-line transactions for government services. This is primarily aimed to reduce the distance that a villager normally travels to transact. A villager usually would prefer a better transaction cycle to happen in the village itself to support their livelihood prospects. These CSCs are conceptualized on supply-driven model and are expected to provide predetermined services. Experience of such supply driven projects have more failures than successes. This is primarily due to poor sustainability attributed to gap in supply and demand of the services needed by the rural citizens. Therefore there is a need to develop models to capture local demand on participatory mode with a suitable interface with supply driven government systems.

Summary

The rapid changes at the macro level that India witnessed since the early nineties has contributed to the instability of the livelihood systems of the poorer section of both rural and urban households. While the benefits of globalisation process have largely accrued to the urban sector growth the rural sector has been left behind. Slowdown in agricultural growth and productivity, changing cropping patterns, increase in distress migration, changing consumption patterns, government policies favouring industrial houses, among others have seriously undermined the food and livelihood security of the poorer households. An integrated, multidimensional and holistic approach to poverty eradication efforts is crucial to preserve and enhance the livelihoods of the poor.

References

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