



# TRP BULLETIN

June, 2021 | Issue 1 | THE RURAL POST

## Theme: Livelihood

*Team The Rural Post brings to you this month's bulletin on Livelihood. IFRC defines it as, "A means of making a living. It encompasses people's capabilities, assets, income and activities required to secure the necessities of life. A livelihood is sustainable when it enables people to cope with and recover from shocks and stresses and enhance their well-being and that of future generations without undermining the natural environment or resource base." With COVID pandemic being a huge disrupter in the livelihood system of pan India, we have discussed its impact along with including various aspects of urban-rural discourse.*

*Happy Reading!*

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## Post Covid-19 Livelihood System: Systematic Institutionalization, Gig Economy and Skill Development -Avi Jain, Founding Editor-in-Chief

India's unemployment graphs rose to a 4-month high of nearly 8% in April, and the outlook remains susceptible with states extending lockdowns to shrink a document surge in virus instances. Unemployment multiplied to 7.97% from 6.5% in March, with greater than seven million jobs misplaced in these months. In rural areas of India, skill development is demanded instead of financial stability and inclusive development. The pandemic has dialed down the scenario for survival indicating no growth in the current year. Due to poor economic growth coupled with the second wave, mere employable skills fail to generate enough employment among rural youth or address/promote sustainable livelihood. The prospect of incubative skill development for rural youth via the systematic order of establishments, sanction of policy/programs and their linkages with micro-finance has to be taken into consideration.

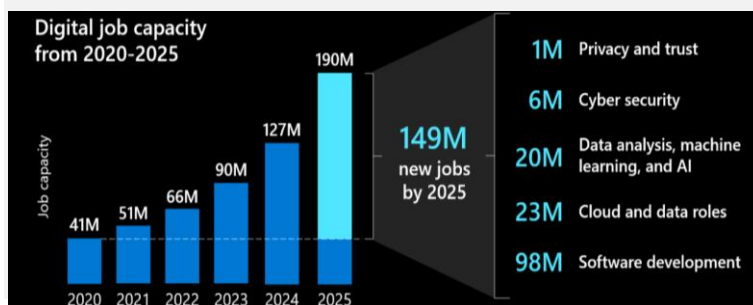
There is three major policy action that serves the need of the hour. Firstly, technological accessibility has to become a part of any future or current policy focusing

on skill development programs. The pandemic has although mediated a physical disconnect but helped us garner a technical connect. Secondly, the state and other implementing agencies need to experiments with a new approach to livelihoods i.e., through Gig economy. Social interactions leading in the direction of collective pursuits and norms can be leveraged for the same. It can be done by identifying, developing and linking artistic or indigenous capabilities of rural youth and women and establishing a system of passive income for them. We have understood the failure of various training and skill development models that requires physical intermediation. The third policy action should revolve around systematic institutionalization. The institutions engaging in capacity building or skill development need to train leaders and foster a local leadership ecosystem in rural areas. It will ensure a more responsive and functional system for capacity building programs.

How would these things solve the current crisis of unemployment? Well, without any economic activity there cannot be an economic prospect. Hence, the notion of Gig economy needs to be prioritized. All the remote production agencies engaging in the simple non-mechanical production system can be linked to the rural workforce and establish a chain of economic mobility. However, to facilitate any such prospect, institutional stakeholders need to reprioritize their model to incubative and economy-oriented skill development.

### The Great Lockdown will accelerate digitization

Source: [blogs.microsoft.com](https://blogs.microsoft.com)





# InfoGRAPHIC

## LIVELIHOODS INTERVENTIONS COVID19

The COVID19 pandemic is not only a health issue, it is a profound shock to our societies and economies with a direct impact on peoples' capacity to satisfy daily needs, food, health and continue their livelihoods activities.

### EMERGENCY RESPONSE



#### BASIC NEEDS AND LIVELIHOODS PROTECTION

Provision of **multipurpose cash and vouchers assistance or in-kind aid** to

support the most vulnerable meet their basic needs, prevent assets depletion and protect livelihoods activities.

Provision of **cash-based assistance** for housing related needs, rent, utilities, etc., and maintenance of livelihoods.

**Early Warning** in case of new upcoming disasters (e.g. hurricane season) to enable people take early action to protect lives and livelihoods.

### EARLY RECOVERY



#### STARTUP CASH GRANTS

Provision of basic start-up **cash grants or in-kind** inputs to restart livelihoods activities or create new micro-small and medium-sized enterprises.



#### EARLY EMPLOYABILITY SUPPORT

Business orientation and individual coaching to facilitate **adaptation to current labour** and market needs.



#### LOCAL MARKET REESTABLISHMENT

Setting up and strengthening **market linkages** between the local, small business and consumers to support economic recovery and markets functionality.



#### ACCESS TO FORMAL AND INFORMAL CREDIT

Facilitate **access to loans** for individuals, groups, small/medium businesses, and restoring community-based **microfinance** systems (saving groups, Mother clubs).



#### PRIMARY PRODUCTION ASSISTANCE

Provide assistance to affected communities to restore production and **secure the upcoming campaign** (e.g. inputs for farming, animal health, fodder production, fishing assets etc.).



## COVID19 IMPACT ON LIVELIHOODS AND FOOD SECURITY

The measures that are being taken to reduce the spread of COVID19 disease, such as social distancing, movement restrictions, market and borders' closure, have a major impact on people's livelihoods and food security, especially of the most vulnerable.

### MAIN IMPACTS IN THE LIVELIHOODS OF VULNERABLE HOUSEHOLD



**Loss or reduction** of subsistence activities **income**:

- Informal petty trade and street vendors (in cities or rural markets)
- Micro and small businesses (restaurants, transport, tourism, etc.)
- Formal and informal jobs (daily workers)

**Special attention to households with cases of death and/or illness of the breadwinner, as well as to women, young people, and migrants.**

"Women are disproportionately represented in the informal sector, in both urban and rural settings"



**Increase of household expenditure** (medicines, health services, food, funerals, etc.).



**Reduction or loss** of **remittances**, and limited **seasonal migration** (which is an adaptation strategy for many vulnerable households).



Impact on **food and basic needs access** (rising prices and reduced purchasing power) and availability (markets disruption).



**Primary production reduction** due to limited access to essential inputs (seeds, fodder, vaccines, etc.) and **loss of income** as a result of limited sales capacity (markets closure, insufficient or lack of processing and storage facilities).

"Closure of the regional transhumance routes will increase pressure on natural resources in the areas where they are blocked."



Increase in **malnutrition**. Impact on nutrition caused by lack of access to nutritious and diversified food, closure of school canteens and disruption or discontinuity of government and humanitarian nutrition programmes, leading to the **exacerbation of existing chronic hunger**.

**Coping strategies** such as the **use of savings** and the **increase of debt** will undermine households by **reducing their resilience** and **increasing their vulnerability** to future disasters.



**Source:** [Livelihoods Centre, British Red Cross Society](#)



Chamian is a small Himalayan village, just 9 km away from an iconic tourist spot, Kasauli. A sleepy village with just 1150 population, was once an integral part of the vegetables and fruit supply chain to all the hotels of Kasauli. Completely dependent on the sporadic rainfall for irrigation, this village is the epitome of how rural livelihood can come to stagnation if it has not been diversified.

We went to the field to assess the impact of COVID induced lockdown on the rural livelihood and observed that even though the village in itself was self-sufficient to grow their food, there was no alternate source of income and the transportation had come to a complete halt, isolating the villagers from the rest of the world.

Weekly visits of a few trucks from Chandigarh or Solan provided the retail outlets with a limited stock of consumable products but who will buy it if the rural household consumption was contracting exponentially with each passing month of the lockdown?



## Ground Report: Impact of Lockdown on the Livelihood of a Himalayan Village -Srishti Singh, Brand Manager

### Impact on the Panchayat's Working

Various Panchayat activities, facilitating healthy interaction and development of various rural communities were put on a halt since March 2020. Monthly Horticulture and Seeds Distribution camps by the Agriculture department were not being held making the farmers clue-less about what crops can be grown to combat the ongoing financial stress.

### Impact on Education

With the lockdown, a 'Digital Divide' was created overnight. Only 1% of the 300 students enrolled in the Sr. Sec. School owned laptops/PC at home, rest others had only 1-2 mobile phones available in the entire family to be shared by 2-3 siblings for their school work. No real-time G-meet/Zoom classes are held. Handwritten notes of various topics are being whatsapped to the students with the expectation that they will take care of their learning themselves. Many Private school's students have enrolled themselves in Govt. school now to save their fees as no physical classes have happened since last year. Monthly money is being transferred into the students' bank account in place of their Mid-day meal ration.

### Impact on Healthcare

Asha workers along with the doctor in the Primary Healthcare Centre are constantly on their toes to track and ensure the vaccination drive. The Panchayat along with the residents are being connected with the team of Chief Medical Officer and SDM through the Whatsapp group. In that group, the home-quarantined COVID Patients keep sending their health updates to the team and their other medical requirements are being taken care of.

### Differential Impact of Unemployment, MGNREGS and falling Remittances

Youth of this village migrates to the nearby industrial town of Baddi and Parmanau to work in factories. Since last one year, employees were laid off on large scale forcing them to come back to this village and engage in agricultural activities which is also very limited due to the very poor irrigation system. With the collapse of employment, the inflow of remittances also fell. With our interview with the District Rural Development Agency, we got to know that in Chamian the scope of MGNREGS was very less. This was because the transport system was interrupted and there was no work left in that hilly terrain that could be done without bringing the raw construction materials from outside.



## Urban demands meet rural livelihoods- a step forward to bridge the urban-rural divide

- Disha Bhavnani, Podcast Anchor

The urban-rural bridge is a long one to trail. There are multiple facets to the differences in quality of living, spending patterns, and access to markets. Primarily, a few factors such as:

1. **Income disparity:** An urban counterpart earns more than [50%](#) than a person residing in rural areas;
2. **Access to market:** The increased penetration of smartphones, and internet has put the less tech-savvy rural resident at a disadvantage yet again with the e-commerce boom;
3. **Limited awareness and resources:** As compared to its urban counterpart, a rural resident generally has lesser platforms to stay abreast with income-generating opportunities.

The above factors lead to a common trend observed among the urban residents—their higher incomes make majority of them consume more, which ultimately leads to an increased demand of several products, and services. Subsequently, this rapid consumption in the urban pockets generates a surplus, which is in form of under-utilized or unused or waste products. Waste-management as a larger opportunity sits at about [\\$15 Billion](#). Several players in the market are tapping this under-utilized potential, and generating livelihood opportunities for the rural. Below is a simple three-step visual depicting how the urban demands are generating livelihood opportunities for rural:



Initiatives such as Recharkha, Paaduks, Green by Goonj are following this model. They collect the unused or waste from the urban communities, employ rural people

who have the traditional know-how to create new upcycled, or recycled products which are brought back in the market and sold to the urban consumers. For instance, Recharkha collects waste plastic wrappers, packets etc., employs weavers who then produce market-ready bags from the plastic waste. Such initiatives are contributing to primarily providing better income-generating opportunities for the rural communities, and supporting their livelihoods. The impact is not only limited to providing more livelihood opportunities to people, it also spans across:

1. **Improved quality of life of rural migrants:** with seemingly longer-term livelihood opportunities, the rural people have an increased dignity, higher income and better spending, and remittance's ability;
2. **Increased contribution to circular economy:** instead of the regular 'take-make-waste' model followed in the supply-chains, these initiatives re-use waste thereby adding to its shelf life;
3. **Increased sustainability:** The waste before it is discarded into the environment is either upcycled or recycled thereby increasing the overall shelf life of a product before it is left to decay in the environment.

### Conclusion: -

With the advent of COVID-19, the livelihood opportunities for the rural migrants have decreased manifold. The recovery from this loss of income, and employment opportunity will not look the same as pre-pandemic times.

More environment-friendly initiatives which leverage on the traditional skillsets of rural weavers or artisans will support a green recovery, and reduce the urban-rural divide in terms of the lack of opportunities. With a huge market potential in waste management, these initiatives need less innovation and more replication, and scaling-up across different geographies. A future towards an equitable society calls for initiatives which help in building an economy where surplus of one community can be transferred to address the lack of resources of the other.



## Changing Livelihood of Rural Women

-Himadri Das, Digital Operations

Women have historically been a major participant in the agriculture sector with around 80% of all economically active women in India (Oxfam, 2018). With rise in migration, the female participation skyrocketed. Whereas, female inclusion in local governance, and economic opportunities have been rare occurrences. These women were deprived of opportunities for both on and off farm activities.

A paradigm shift came with MGNREGA which ensured equal rights for work and payment for both men and women. This reduced the wage discrimination between the two genders and improved the socio-economic status of women. The NRLM's Jeevika mission focused on building strong local institutions and market places and helped boost women participation by created Self-Help Groups (SHGs), and producer groups. They facilitated institutional credit facilities to these groups from commercial banks that were earlier reluctant to lend money to micro-borrowers. According to World Bank, between 2014-2019, more than 2.7 lakh women were organised into FPOs with over \$5.5 million turnover.

These numbers suggest that a program can be successful with the correct implementation and mass participation from rural women. As more and more women are stepping out of their kitchens and voluntarily partaking in Gram Sabha meetings, we can see a positive change in the attitude of both genders regarding female participation in important livelihood decisions. We can see numerous examples of successful women-owned FPOs which are doing exceptional work like JOHAR in Jharkhand, Mandviya in Rajasthan.

We have also covered one such success story of an FPO that is completely owned by women which you can read here. (<https://www.theruralpost.org/post/the-story-of-an-fpo-empowering-rural-women>)

I agree that this is only the beginning and we are far from making a significant change and it is high time we let the voices of rural women be heard. Their preferences and ideas can help bring fresh perspectives on the table that can help postulate better schemes to empower rural women to give them an equal playing ground as their male counterparts.



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## Weaving Dreams Knot by Knot-

Himanshi, Editorial manager

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Tucked inside the most remote corners, exist the community of artisans, who produce some of India's finest carpets through the age-old craft of hand-weaving, a practice embarking on the verge of near extinction. The carpet industry in India was infected with atrocious practices like child labour and infringement of money by multiple middlemen and the weavers were treated as society outcasts and untouchables. Their hand-knotted carpets however, were sold at phenomenal prices around the globe and this led to the mushrooming of multiple middlemen, who perpetually intended to usurp the deserved-dues of the weavers.

The inclusive [socio- economic business of Jaipur Rugs](#) is addressing the key global concerns of poverty, unemployment, gender equity, sustainability, livelihoods, inclusive growth and boosting rural India's economic by developing new generation of artisans, quintessentially reviving the traditional craft of rug weaving, eliminating middlemen and directing the flow of benefits to artisans.

For hand knotted artisan community, creating something entirely on their own on an unassuming loom was something they never imagined would happen. A one-of-a-kind initiative introduced by Jaipur Rugs taps into the untamed fashion from the villages of India. It experiments with the originality of rural artisan and nurtures their creative potential which remains unexplored at the global stage.

For the first time ever, weavers get to be the designers of their rugs. Each rug is a masterpiece of design inspiration. It is imbued with the individuality of its weaver which is evident in unique artistry. This initiative has led to a new wave of innovation. Jaipur Rugs social innovation to unleash the design creativity among artisan community leads the representation of artisans to the national and international platforms. This innovation not only brings the visual design and craftsmanship excellence but also bind the global

audience by the emotion behind this design. This innovation is named as "[Manchaha](#)" which means the voice of artisan soul imprinted on a piece of art.

Prem Devi, who got married at the age of 14 and now an experienced artisan from Raigar community of Aaspura, Rajasthan. She is 38 years old and has 20 years of experience with weaving. She is a Bunkar Sakhi, which means weaver's companion, going beyond the call of duty to guide them and support them. She is an accomplished leader, transforming the lives of many weavers in the Aaspura village, 5 of them getting their own International Design Awards. On a global platform, she was a panellist at Women in Design 2020, sharing her insights on the creativity hidden in the villages of it, and how to bring them out. As a weaver, artisan, Bunkar Sakhi, leader, she is an ambassador connecting hearts on a global scale, being the point of direct contact from weavers to international clients. She has been visited by over 300 international clients which led to a dramatic transformation to the personality and the lifestyle found there. She is a guide to over 100 artisans in Aaspura, and is a key person in the initiation of a design lab in the village, giving design training of global calibre to the artisans there.

She says,

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*"I am now looking lot of people to come to Aspura and Co-Create designs with weavers here. This will give us chance to connect heart to heart with the global consumers. They will also get to know about the beauty hidden in our villages."*







## **Possible Alternative Livelihood of People of Uttarakhand Post Disaster -**

### **Priyanka Joshi, Digital Marketing**

Uttarakhand is known worldwide for its rich and diverse bioresources. The beautiful mountains, astonishing climate, mesmerizing beauty of Uttarakhand is something that is admirable to the whole nation. But as good things come with a cost, the mountains of Uttarakhand also have to face many frequent natural disasters. Be it the 2013 cloudburst causing devastating flood and landslide, or the recent 2021 flood in Chamoli district or be it the countless forest fire that takes over the lives of many humans and animals. The major impact of this is the loss of livelihood of majority of population, the worst hit are the agriculture tourism and infrastructure. Livestock of people are washed away roads are damaged and fodder shortage occurs. Thus, all this adding up to more poverty rates.

Uttarakhand being the center of attraction for tourists still lacks some basic amenities for its people in rural areas. Its topology ensures the real toughness for its people, natural disaster making it more problematic. Thus, people only have to make another alternative for their livelihood.

A very large population of Uttarakhand is dependent on agriculture. With increasing population and frequent disasters, non-farm activities can be influenced to increase the economy and give an alternate livelihood option to its people. The non-farm activities include wool-based activities, rope making, handicraft, furniture making, beekeeping etc. The garment knitting can also be thought on a larger perspective to make it as an earning option. Nevertheless, tourism cannot be neglected in a place which is a center of attraction for many tourists. Animal husbandry is generally preferred by its people on a large scale as a means of alternate livelihood.

Not only this but a well-planned government intervention is needed with more NGOs working for the betterment of the rural people who are still deprived of many basic amenities and technologies which add up to the wholesome development of the state.

The 27<sup>th</sup> state of Republic of India, Dev-bhoomi, that was formed in year 2000 after being separated from Uttar Pradesh. Its people known for the simple lifestyle, honesty and they reflect a bond with nature and God. Its serene beauty and its people are meant to be saved with the collective efforts.



## Credit System in the village

-Priyanshu Verma, Brand Manager

Unlike the rush and constant nagging in the cities for cheaper interest rates for loans, the credit system in the village sets aside itself quite a bit. Despite the presence of banking and financial institutions in the village, most of the people that we talked to prefer taking loans from relatives or moneylenders. The reason for same is accounted to the ease of getting money, instant availability, unlike banks where one has to make rounds and wait for days before actually getting the money. People usually get the required amount as and when needed. The rate of interest depends on credit worthiness of people, the amount of money, and the work for which they require money. The interest rate varied according to amount of the loan as follows:

- 5% per month for amount up to Rs. 10,000/-
- 4% per month for amount up to Rs. 10,000/- Rs. 50,000/-
- 3% per month for amount above Rs. 50,000/-
- 2% per month for amount above Rs. 2,00,000/-

The need base credit scenario is as follows:

**a. Marriage** – Usually loans are only provided to facilitate daughter's marriage and, in most cases, people do not get loan for son's marriage. The interest rate was usually 3 percent monthly for such loans.

**b. House** – People take loans to build their home and the interest rate usually varies between 3 to 4 percent per month in most cases. If the person is having a bad credit reputation, then the interest can go up to 7 percent per month.

**c. Agriculture** – People in the lower and middle economic strata take loans for agriculture usually in the range of 20k to 30k. Interest rate charged is 3-5 percent per month.

**d. Livestock** – Loan for purchase of animals is also very common. Few people mentioned gifting livestock as

Dahej (Dowry) while majority of the people keep livestock for milk production and selling outside.

**e. Medical** - Only few people cited medical emergencies as reasons for taking credit. As a general observation, people do not take healthcare and hygiene seriously.

Some other reasons for which people took credit include fencing their field, purchasing two wheelers, opening small shops, going to city to work etc.

As an inference, people are not taking loans from banks at a lower interest rate but taking loans from local moneylenders at a higher interest rate. And all this because they want to avoid paperwork and hassle at the bank. From another perspective it can be observed that the interest is not for the amount lent but is simply the price paid for the service of instant credit availability.

If someone is unable to make the repayment on time, then the person can either give livestock, land, vehicle, jewellery, etc. of worth nearly equal to the amount lent.



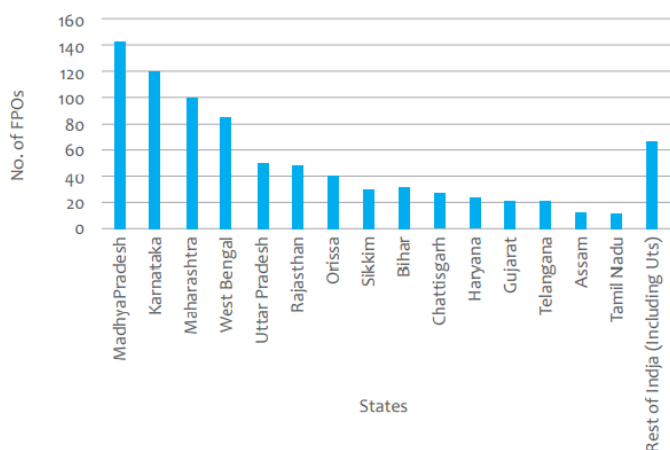
## Our Enthralled prospective towards Farmer Producer Organization: the future of rural livelihood

-Madhulina Halder, Communications Manager

Agricultural innovations and diffusion of technologies are crucial factors in deciding the country's quest for food, nutrition, environmental security, social security of Agri workers, enhancement of income and employment. Farming has traditionally been a livelihood for millions of farmers, laborers, and supply chain workers, but high production costs, inadequate access to financing, together with inadequate market connectivity hamper the sector's expansion. This has an unfavorable impact on India, which constitutes roughly 85% of this sector, among small and marginal farmers. Aggregation and consolidation give these farmers a method of combining and profiting from economies of scale, making it a vital tool in creating new paradigms for growth.

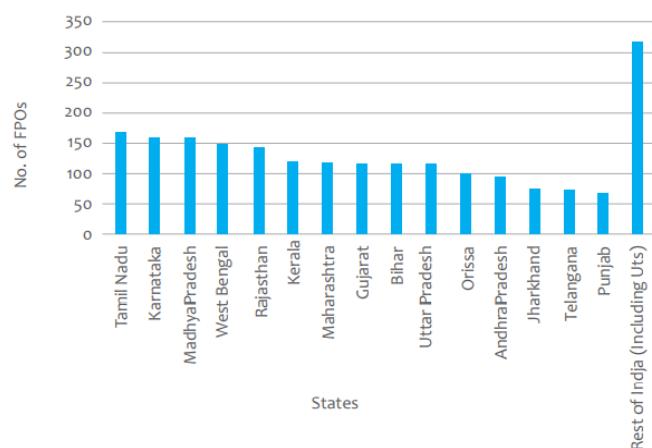
Producers' organizations are an organizational mechanism that mobilizes the collective farmers in an effort to increase the economic and social conditions of their own farming community. Although FPOs are still

emerging and are at a very nascent stage, it has gone a long way in the past for several years and is rapidly becoming a vital element in India's agricultural value chain. FPOs have the capacity and need to develop their full potential to provide farmers a greater negotiation power, FPOs can directly deal in the production of the highest value with companies, major processors, and agricultural millers. It will remove all brokers and carry out tax-free trade. They also establish a more transparent agri-market, better value, and retain more income for the Indian farmers.



Number of FPOs supported by SFAC

Source: Collated from SFAC website



: Number of FPOs promoted by NABARD

Source: Collated from NABARD website