

Productive Strategies for Rural Poor Households to Participate Successfully in Global Economic Processes

First Draft Country Report For North India to the International Development Research Centre for North India

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1. INTRODUCTION

Objective

The overall objective of the study is to prepare an agenda of priority research for the IDRC Rural Poverty and Environment Programme Initiative (RPE), within the theme “productive strategies for poor households to participate successfully in the global economic process”. The RPE’s mission is to contribute to the development of networks, partnerships, and communities of practice, in order to strengthen institutions, policies and practices that enhance the food, water and income security of the poor, including those in fragile or degraded uplands and coastal ecosystems.

Phases of Methodology

1. Inception Phase: defining conceptual framework of the study, research scope, literature review and drafting an inception report to guide the following phases
2. Regional scans: desk based research, providing an overview of socio-economic development issues and identifying the relevant themes that can feed into regional research agendas.
3. Country case studies: to validate and test the themes emerging out of the regional scan and to suggest new themes
4. Consolidation and dissemination of the regional scans and country case studies

Expected Outcomes

1. Inception Report
2. Regional Scans
3. Country Workshops

4. Country Report
5. General Report with strategic research themes
6. Calls for research proposals

Objective of this document

This report combines the questions raised at the inception workshop, the regional scan, and the issues for the in-depth study of North India. The combination provides the most comprehensive understanding of current conditions of poverty in rural north India, coping strategies, and the complex nature of barriers to participation. Through this understanding of the interwoven survival strategies for poor rural households, it is possible to frame effective intervention that can positively work towards increased, beneficial participation of the rural poor into global economic processes.

The India case study has been put together after consultation with development practitioners, programme field officers, private organisations, ngos, and independent consultants. The degree of difference that exist within North India itself requires that the country case study be understood within state contexts. Wherever possible, differences have been identified between ‘hill’ regions and ‘plains’ regions. This distinction has been drawn because of the fact that much of the poverty in hill regions is exacerbated by geographic landscaping, and it is important this is understood when framing possible interventions.

2. VALIDATION OF KEY FINDINGS FROM REGIONAL SCAN

Research Question 1

How can poor rural households adapt their livelihood strategies to benefit from participation with global economic paradigms?

Key Findings from Regional Scan	Views of Local Stakeholders	Comment and Analysis	New Narratives
Understanding the context			
<p>Who are the poor</p> <ul style="list-style-type: none"> - Dryland farmers – seasonal migrants - Agricultural labourers - Scheduled Caste/Scheduled Tribe - Disabled 	<ul style="list-style-type: none"> • All categories specified in regional scan are <ul style="list-style-type: none"> - subject to discrimination at all levels of access to resources. - ‘invisible’ to the state and local decision makers – given dominant understanding of poverty, which is income specific. • Geographic specificity of poverty in North India. • Gendered perspective of poverty <ul style="list-style-type: none"> - With a focus on access to health and education – whereby geographic location perpetuates poverty with lack of access to health (pre-natal and post-natal care) 	<p>The poorest of the poor have been identified by all informants as having little or no access to capital (human, social, financial, physical, and natural). These are households, living at the margin, are greatly affected by the ‘vulnerability context’ (shocks, trends and seasonality).</p> <p>Poverty has to be understood beyond income means. Areas of the north, that are predominantly tribal, lack surplus production reality.</p>	<ul style="list-style-type: none"> ➤ Detailed enumeration of the poor needs to be undertaken ➤ Permanently ill health to be added to categories of poor <ul style="list-style-type: none"> - Rural to urban migrants who contract AIDS returning to infect household member – thereby decreasing productivity potential - Focus on feminisation of poverty in areas with high migration and skill obsolescence (evidence of mid-wives)

Key Findings from Regional Scan	Views of Local Stakeholders	Comment and Analysis	New Narratives
		<p>Trends suggest that increased rural-urban migration has resulted in increasing abandonment. Single or multi-generational female households. These households slip into poverty because of current political structures that do not recognise women heads.</p>	
<p>Does the degree of rural influence the choice of appropriate strategies for participation</p> <ul style="list-style-type: none"> - Weak integration: transport, infrastructure, communication - Poor access to information - Low levels of government support - High resource rich environment however inability to transform into 	<p>Hill Regions:</p> <ul style="list-style-type: none"> - Terrain and climatic condition ensure limited participation and low proactive integration interventions by government programs - Exacerbated disorganised and disparate producers - These areas have cultural practices that do not focus on savings but rather 		

Key Findings from Regional Scan	Views of Local Stakeholders	Comment and Analysis	New Narratives
livelihoods and income	<p>collective sharing of surplus</p> <ul style="list-style-type: none"> - However niche ecological conditions and weak support networks create indirect market frameworks that are dominated by middlemen <p>Plains</p> <ul style="list-style-type: none"> - Comparatively more favourable access to markets extreme rural is still defined as focusing on subsistence rather than surplus - Local government departments have a bias towards larger farmers, thereby increasing the vulnerability of the poorest of the poor households - Participation relies on the middlemen to provide both inputs and consumer demand 		
What do the poor understand by successful participation	There is consensus that successful participation include strong	Despite the differences in the geographic context of hills and	Needs based integration is important. Within north India, this

Key Findings from Regional Scan	Views of Local Stakeholders	Comment and Analysis	New Narratives
	<p>negotiating powers on the part of the poor, supportive government institutions and policies. Additionally successful participation involves return investments to local communities and local capital building.</p> <p>Hills: Due to ecological niche, markets have great potential. Political will on the part of state governments has lead to several models of successful participation.</p> <p>ATI (ngo): Products: oak tussar, honey, bamboo</p> <p>Methodology: local market grids that facilitate linkages with credit, processing units, and local markets</p> <p>- Sheep and Wool livestock Development Boards (Govt. of Uttaranchal): product perspective of producer groups and provide markets</p> <p>Plains: Mother Dairy has been cited as an unequivocal success model for integration, with low risk, and with an understanding of local conditions, market principles with stakeholder inclusion.</p>	<p>plain, the components for success, are the same</p> <ul style="list-style-type: none"> • Centralised supply – securing linkages between and cutting out the middleman • Provision of all support infrastructure – transport, storage, processing • Diverse retail sales • Stakeholders are shareholders and profits are immediately invested back into local production units to provide local support needs <p>There is a growing concern amongst development practitioners, across India, that integration into global economic processes will exploit the poor.</p> <p>Current examples of exploitative contract farming, plantation wage labour have made people wary about the potential to integrate <i>and</i> have social justice.</p> <p>The successful examples of participation focus on the <i>a priori</i> negotiating power of the rural poor.</p>	<p>will involve assessing and addressing the differing needs according to starting condition vis-à-vis infrastructure, networks, and political climates</p> <ul style="list-style-type: none"> • A key area for action research is to develop models that Network rural poor households and to integrate them into processes but without exposing them to the unregulated ‘free market’ at the outset. - This will involve developing models for phased market integration, beginning with local capacity building and surplus creation and ending with complete market integration.

Key Findings from Regional Scan	Views of Local Stakeholders	Comment and Analysis	New Narratives
		<p>The level of political will within a given state will play a large role in determining the extent successful participation. Uttaranchal and West Bengal stand out in this regard, with extremely pro-active governments and policy frameworks.</p>	
<p>How important is NFRE in rural areas and what does it comprise</p> <p>Migration - main provision of rural poor household incomes</p> <ul style="list-style-type: none"> •1. Identify migration areas •2. What are the dominant migration streams and characteristics and remittance patterns • 3. How important are migrant remittances to rural households • 4. Is migration a coping strategy or a high return option • 5. Strategies to move from distress to accumulation migration 	<ul style="list-style-type: none"> • Distress and seasonal migration is a common feature between all the states <p>West Bengal –</p> <ul style="list-style-type: none"> •Rural to urban migration is increasing. •Women are increasingly joining the migration stream and are moving to garment sectors in urban centres such as Mumbai and Bangalore • Male migration continues with payments for dowry and marriage also being a large determinant for the need for income <p>Uttaranchal –</p> <ul style="list-style-type: none"> • Decreasing number of migrants moving out of state, rather rural to 	<p>Because of the inherent vulnerability of the poor households, and the need for diversified options to mitigate risk, migration is an assumed part of their strategy</p> <p>However, the point has been clearly made that smallholder farmers migrate out of necessity. Distress migration would be reduced if local asset building were an option. It is unlikely to focus on development small land holdings to produce competitively. However landholdings provide security and should be cultivated as an additional activity. The focus needs to be on creating opportunities for rural industry</p>	<ul style="list-style-type: none"> ▪ Migration patterns and social effects, both on the household left behind and the migrants in new urban environments are under-researched. ▪ Detailed studies on migration would be very useful in constructing policy and practical interventions to secure livelihoods and create remittance structures. ▪ Migration as a tool for female empowerment is also an important research area. Studying the ways in which access to financial capital has lead to

Key Findings from Regional Scan	Views of Local Stakeholders	Comment and Analysis	New Narratives
<p>6. What difficulties do migrants face</p> <ul style="list-style-type: none"> • 7. How can pro-poor programmes be made more responsive to the needs of households that are away for part of the year • 8. How should rural development and agricultural policy be reoriented in view of multilocational livelihood strategies • 9. What kind of market segmentation exist in migrant labour markets and how does this affect the poor 	<p>intra state migration is on the rise.</p> <p>Migrants lack the necessary documentation and identity cards for inter-state asset building. As a result, they have difficulty accessing formal services such as health, education, insurance</p> <p>Migrant survival is very insecure. Labour standards in small industries are poor and there is little incentive to improve conditions, as this will increase labour costs.</p>	<p>and watershed development. These will improve the natural and financial capital that rural poor households have access to.</p> <p>In this regard the National Rural Employment Guarantee Scheme, introduced by the UPA government is an important intervention.</p> <p>Migration has had important second order benefits: a sense of empowerment for women, increased community respect, reduction of spousal abuse. As a result, it is very attractive for women to continue migration patterns</p> <p>Households are the biggest absorbers of unskilled labour force and thereby evaluating the opportunities for households to act as buffers in migrant vulnerability is important.</p> <p>Although most migrants will have citizen cards/ ration cards, this is not recognised in states other than</p>	<p>improved positions in the community with regard social, physical, human capital.</p> <p>Creating strategies that facilitate asset transfer of migrants is much needed. Tools for migrants to transfer assets, taking into account their available identity mechanisms (citizen card etc) need to be developed. Research into ways this could be possible would be an important means to secure migrant labour.</p>

Key Findings from Regional Scan	Views of Local Stakeholders	Comment and Analysis	New Narratives
<p>Informal Sector</p> <ul style="list-style-type: none"> • 10. What are the links between globalisation and the informal sector • 11. How can the quality of employment for informal sector workers be improved, in sectors that have links with global economy 		<p>their state of origin.</p> <p>In certain metropolises, such as Delhi, migrant household labour is using the host family as guarantor and contact address for services such as insurance. LIC has realised the size of the migrant population and has created flexible frameworks for applicants.</p> <p>The vulnerability factor of labourers within the <u>informal economy</u> was appreciated, it is also clear that integrating the informal economy serves no purpose other than to add prohibitive costs to small industries and is seen as a risk for labour, which will be substituted for mechanisation.</p>	

Key Findings from Regional Scan	Views of Local Stakeholders	Comment and Analysis	New Narratives
<p>Occupational Diversification</p> <ul style="list-style-type: none"> • 12. What strategies being pursued by the poor • 14. Identify broader entry points for poverty reduction that is multi-sectoral rather than farm based <p>Tourism</p> <ul style="list-style-type: none"> • 15. Identify the major types of tourism orientated activity • 16. What are the main characteristics of industry in each • 17. Which parts of the industry include the poor and which exclude them and why • 18. Which policy reform would improve the returns to the poor and where is external support needed? 	<p>Tourism</p> <ul style="list-style-type: none"> • Ecological and religious • Industry is differentiated in their strategies towards the poor. <ul style="list-style-type: none"> - Some ecotourism sites do not provide any space for participation of the poor, all factors of production are imported to secure quality of service and product - Religious tourism is not adequately monitored. This results in unsustainable pressure on local resources. • Cottage industries and handicrafts are also a growing area of NFRE and provide potential linkages with national and 	<p>Local communities do not have the ability to manage eco-tourism.</p> <p>State governments lack the required funds to develop the skills of local communities. Private sector involvement, through local investments in supply chains, would go a long way in strengthening rural poor participation in tourism.</p>	

Key Findings from Regional Scan	Views of Local Stakeholders	Comment and Analysis	New Narratives
	international markets.		
Distributional Issues			
At the micro-level, what factors influence the distribution of aggregate costs and benefits	<p>Trends – dependence on market savvy products with high elasticity of demand</p> <p>Any change in demand has high costs for rural poor households and can plunge them into further spiralling poverty.</p> <p>Market orientated production can also lead to costs of local health</p> <ul style="list-style-type: none"> - Mandua (millet) diversion to Japanese markets lead to increased anaemia for rural households as consumption of the product was diverted to market - Monocropping of jatropha has been done on large tracts of land. This has reduced the space of cultivation of local nutritional needs and placed greater importance on the availability of substitutes in the market. 	<p>Effective participation needs to focus on mitigating costs/risks for rural households. This is best done, in the first phase, by focusing on surplus trade rather than niche production.</p> <p>Stress should first be paid to local self-sufficiency before trade and participation in markets.</p>	
Can productive strategies for the	Plains	However, alternative production	Understanding, and modelling the

Key Findings from Regional Scan	Views of Local Stakeholders	Comment and Analysis	New Narratives
<p>rural poor be environmentally sustainable (i.e. does globalisation result in resource degradation)</p>	<p>Conventional production strategies involve consolidating land holdings, monocropping, high synthetic inputs, low quality manure, soil degradation, increased water use, increased dependence on external credit. This strategy is inherently unsustainable and does result in resource degradation.</p> <p>Hill Regions Because of terrain and access to inputs, these areas are organic by default. However</p> <ul style="list-style-type: none"> - Overmining of resources, for markets, is a big cause of afforestation. Harvesting plants before flowering ensures low next generational growth. - ‘One size fits all’ policies work against successful participation: - Examples were provided about restrictions in collecting medicinal herbs, which have been listed as endangered. However, in hill states, these plants 	<p>strategies can be implemented, along the lines of Mother Dairy. Here smallholder farmers are not required to give up land. Despite small yields, farms are incorporated into a larger framework. Scaling up then happens as a result of production networks, and not as a result of individual larger units.</p> <p>Effective, transparent regulatory mechanisms would go a long way in ensuring growth with sustainability.</p>	<p>impacts of market integration is important in order to ensure local monitoring.</p> <p>Little work has been done in mapping environmental degradation. If this could be taken up, via GIS and other monitoring mechanisms, it would provide a clear indicator to policy makers and producers about the need for producing within carrying capacities.</p>

Key Findings from Regional Scan	Views of Local Stakeholders	Comment and Analysis	New Narratives
<p>How do shocks and stress impact household productive strategies</p>	<p>grow in abundance.</p> <p>Poor rural households are hugely impacted by even small shocks and stress. Their lack of assets and capital ensure little negotiating power for shocks.</p> <ul style="list-style-type: none"> - Natural disasters - Family death - Ill health <p>As a result, productivity is negatively impacted.</p>	<p>The impact of shocks and stress on poor rural households is largely due to the lack of capital that would be required to absorb the shock without reductions in productivity.</p> <p>The National Sample Survey, 59th round clearly illustrates the levels of indebtedness in agricultural communities. Punjab and West Bengal have high levels of indebtedness as compared to the Northern states. This is also a direct indicator of the degree of market penetration in the respective states.</p> <p>Recourse to flexible, lifestyle based (i.e. in response to sudden death in the family) loans is the only option. Middlemen provide such loans and indebtedness increases levels of poverty, as surplus is committed to the middlemen as payback.</p>	

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Constraints to participation			
Institutional and other factors that prevent rural poor from participating and benefiting	<ul style="list-style-type: none"> • Lack of post production facilities • Lack of political will on the part of local regimes • Dominance of middlemen • Lack of local negotiating bodies and networks to benefit producers 		
<p>1.Strategies by which rural households can engage with global economic processes</p> <p>2. Access and obstacles for specific domestic and global value chains</p> <p>3. Role of Middlemen</p>	<p>Lack of extension service organisations Limited vertical integration Infrastructure</p> <p>Limited transport infrastructure Certification standards for primary products Crop productivity</p> <p>Weak integration, through infrastructure and local markets results in the middlemen being the only income mechanism for farmers.</p>	<p>There is consensus around the need for government supported schemes, or cooperatives, to make rural communities first aware of the market before tying them to national and local integration. This will allow for local income generation and capacity building and therefore stronger negotiating power.</p> <p>The domination of middlemen in</p>	

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<p>4. What is the trigger (or barrier against) the adoption of innovative technologies or new livelihoods</p> <p>Horticulture</p> <ul style="list-style-type: none"> • 5.What are the main characteristics of the horticulture supply chain • 6.Is the policy environment conducive to the involvement of the poor • 7.Which groups are able to take advantage of contract farming arrangements • 8.To what extent is land ownership or access to land a constraint • 9.Caste related barriers • 10.How accessible, transparent and accountable are institutions related to technical support, inputs, credit, and marketing • 11.At what level is change required • 12.Is access to information a constraint and how can this be 	<p>Middlemen sole procurers.</p> <p>Contract Farming is not prevalent in the northern Indian states, which have more of a tribal population. Here middlemen play the role of ‘buyback guarantors’</p> <p>In contrast, Punjab has a high rate of contract farming but this is only beneficial for larger farmers with adequate ability to take control of inputs such as water.</p> <p>Contract Farming – In theory provides guaranteed markets for rural poor households. However,</p>	<p>the rural sector is a clear indication of poor market linkages. This is an important and needed area for future research.</p> <p>The GOI has identified horticulture as a key area of growth in rural areas with its National Horticulture Mission. However, the question of cooperation between relevant government departments and local communities has been complex and a key barrier to productivity and retail.</p> <p>Organic produce is a growing area in India. However the key question here is the need to make the certification process accessible to local markets. Additionally government forest department officials, and extension service representatives are not trained adequately to assist farmers in production. Farmers then cultivate using mistaken assumptions.</p> <p>Technology has little to no</p>	

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<p>overcome</p> <p>• 13.How can the governance of groundwater resources be improved so that the poor are not deprived</p>	<p>in practice, little attention has been paid to the lack of equal negotiating power of the stakeholder. Pricing and assumptions about inputs need to be re-evaluated with an understanding of a) environmental damage, and soil depreciation done through monocropping b) labour costs, which, if mistaken, encourage cheaper child labour.</p> <p>Access to water, primarily for irrigation will be an important criterion to determine market-orientated success. However, uncontrolled drilling of borewells, and the steady incursion of industrial water consumption (eco tourism sites) will place increasing pressures on finite supplies.</p> <p>NTFP</p> <ul style="list-style-type: none"> • Government frameworks act as a disincentive to link up to markets. • Subsidies do not take holistic production needs into account. i.e. subsidies on apples do not include subsidies on irrigation infrastructure 	<p>penetration in rural areas. However, the asymmetries of information that exist between the rural poor and the government departments can be corrected through ICT in these areas.</p> <p>Current groundwater estimates put agricultural usage, in India, at 92 per cent while the remainder is used by industry and for private consumption.</p> <p>Realistic groundwater management will have to</p> <ul style="list-style-type: none"> • Monetarily incentivise borewell recharge • Create frameworks to legally delineate groundwater from land ownership • Set clear standards for progressive pricing of groundwater between sectors, created in light of total value of final products. This will protect poor rural households. 	

Key Findings from Regional Scan	Views of Local Stakeholders	Comment and Analysis	New Narratives
<p>Livestock</p> <ul style="list-style-type: none"> • 14. What are the main characteristics of the supply chain • 15. What can be learnt from the experience of cooperatives and other grouping options • 16. Caste related barriers <p>NFTP</p> <ul style="list-style-type: none"> • 17. How can NFTP markets be deregulated to help the poor 	<ul style="list-style-type: none"> • Marketing cooperatives that are aimed at helping the poor access markets, are actually competing with them to collect and market medicinal and aromatic plants. • Conventional credit facilities are seen as corrupt, bureaucratic and exhibit a pro-big farmer bias. Poor households are numerous in number but have small savings and are considered unimportant. • Middlemen dominate credit, they are able to provide fast loans in response to households shocks. They have long repayment timelines. 	<p>For all livelihood strategies, flexible credit is key to lifting the poorest of the poor out of indebtedness and leveraging their productive capabilities.</p> <p>Fruits and vegetables have long gestation periods and repayment of credit needs to take this into account and create frameworks in accordance with production realities.</p>	

Key Findings from Regional Scan	Views of Local Stakeholders	Comment and Analysis	New Narratives
<ul style="list-style-type: none"> • 18. Where is access to credit needed and how can market intermediaries be made to comply with pricing etc • 19. How can the poor be helped with access to markets and technical information 		<p>Village Information Centres that provide communities all input information and market prices are required in remote rural states that are beginning to integrate.</p>	
<p>Household Livelihood Strategy Options</p>			
<p>Engagement with local and regional markets a pre-condition for engagement with international markets</p>	<ul style="list-style-type: none"> • There is clear consensus on the importance of local market production prior to engaging with regional or international markets. This is because of the current poor negotiating power of rural communities. Rural communities, especially northern India's tribal and forest based populations have very little concept of surplus profits. Thus it is felt that rapid integration, without adequate asset building through education, health, etc will lead to exploitation. 		

Key Findings from Regional Scan	Views of Local Stakeholders	Comment and Analysis	New Narratives
Research Question 2: How can the enabling environment be enhanced to support the successful participation of the rural poor			
Overarching Issues – Summary of Issues affecting market failure and participation			
Political economy of policy			
Enabling environment behind examples of successful participation	<p>The series of conflicting policies, at the Central and State level make successful participation difficult. Lack of effective local level monitoring cells means there is vast space for rent-seeking. Poor rural households do not have the social or financial capital to negotiate this terrain.</p> <p>In the case of Mother Dairy, there has been negotiation through the conflicting state and central policies which has resulted in successful participation.</p>	Policies such as National Environment Policy, Panchayat Extension to Scheduled Areas, State Forest Acts, National Rural Employment Guarantee Scheme share objectives but do not acknowledge one another in implementation. As a result, a plethora of local communities are created.	
Market failures Identifying common market failures in rural areas and their causes	<ul style="list-style-type: none"> - Caste and class bias - Asymmetries of information - Lack of framework for local asset upgradation - New technologies are met with suspicion because of undemonstrated outcome and the input costs required to implement. 		
Access to factor markets			
Successful models for supplying sustainable and affordable credit			

Key Findings from Regional Scan	Views of Local Stakeholders	Comment and Analysis	New Narratives
<p>Where would external support be useful in promoting markets</p> <p>How can more investment be attracted to such areas from the private sector</p>	<p>Rural Banks – are seen to be barriers for rural poor households. Process is anti poor and highly bureaucratic.</p> <p>Microcredit is a successful alternative but has little penetration in northern Indian states.</p>		
<p>Importance of institutional factors</p>			
<p>Are environmental management policies and practice supporting the sustainable utilisation of natural resources</p>			
<p>Government Support</p>			
<p>What actions could government take to increase the likelihood of poor rural households participating successfully in global economic processes</p>	<p>The government has a key role to play in working towards global economic integration. This is in the areas of infrastructure, education, watershed development, and ensuring secure linkages, at fair prices, between rural producers and local, national and international markets.</p> <p>However, local asset building and</p>		

Key Findings from Regional Scan	Views of Local Stakeholders	Comment and Analysis	New Narratives
	<p>capacity training will have to be the first steps in what will be a multi-step process.</p> <p>Central government will have to ensure adequate and effective decentralisation. Currently, Panchayat raj systems operate in tandem with local state government departments. Despite on paper cooperation, in practice there is little equitable power sharing.</p> <p>Policies affecting the production of NFTP have to be streamlined. Currently policies are contradictory and have little space for autonomous control by the PRIs. Examples are the contradictions between the Indian Forest Act, the Panchayat Extension to Scheduled Areas (PESA) and the PRIs.</p>		
Government services reach the poor			
How are different global markets changing	For India as a whole, global competition is clearly felt most strongly vis-à-vis China. India's competitive advantage in labour requires a sector that can absorb it.		

Key Findings from Regional Scan	Views of Local Stakeholders	Comment and Analysis	New Narratives
	<p>Industry is not a focus point for growth in India. Therefore, the export surplus required to have China's growth patterns – are not in place. As a result globalisation, affecting cropping patterns, technology adoption, return to investment through consolidated land holdings, and migration, displaces a great number of rural poor households productive individuals. These individuals are potentially powerful voices for urban employment and overall economic growth. However, India has a high skill boom in service. No skill training has facilitated resulted in <i>ineffective</i> rural-urban migration. This skill training is a key area of focus.</p>		

SUMMARY

A brief summary on what are held to be the most important economic processes in the global (or simply international) environment that impact upon poverty - both as threat and opportunity - in the country concerned. Global economic processes in this context include migration, trade and investment, including changes in domestic markets, access to factors of production and resource use that can be attributed to global processes

Table 1: The most important aspects affecting participation in global economic processes for North India and their impact on the rural poor

Process	The rural poor as:				
	Producers & Collectors (Ag and Non-ag)	Workers (Ag, Non-ag but rural, Non-ag but urban)	Traders	Migrants (seasonal, permanent, national, international)	Consumers
1 Disparate and isolated production units	<ul style="list-style-type: none"> • Lack of networking • No negotiating power • High vulnerability to shocks • Weak linkages with markets 	<ul style="list-style-type: none"> • Lack of income through networked land holdings impacts inability to pay labourers to cultivate land • Affects ability to repay credit 	Middlemen are able to dominate market and act as monopoly buyers	<p>Isolated smallholdings are not competitive production units, thereby poor sources of income.</p> <p>Main reason for distress migration patterns, both seasonal and long term</p>	
2. Inflow of	High value			Continued	

cheap imports	indigenous local products lose market presence due to availability of cheap substitutes			insecurity for migrants. In order to keep prices low, labour remains informal and without access to formal service.	
3. Impact of globalisation on natural resource sustainability	Market orientated production and pressures contribute towards unsustainable practices. Increases indebtedness			Inflow of industry (eco-tourism) limited job opportunities	
4.					
5.					
6.					

Based on the central issues of:

- how can the rural poor engage in global economic processes;
- how do the rural poor currently engage in global economic processes;
- what are the constraints to more and better engagement;
- what are the appropriate policy interventions to support successful engagement; and
- **AND** highlight instances where the findings from our secondary empirical analysis in the Regional Scan are perceived differently by people dealing with the issue as policy-makers, representatives of the poor, practitioners, researchers, etc).

3. PROPOSED RESEARCH ISSUES AND THEMES

List of Possible Research Partners, mission, and areas of ongoing work

Organisation	Mission Statement	Areas of ongoing work	Justification for IDRC partnership with RPE in North India
Development Alternatives (DA)	Sustainable development with empowered communities. This is done by assistance for production, marketing, and credit.	<ul style="list-style-type: none"> • DA manages the ‘Poorest Area Civil Society’ (PACS) programme, an initiative supported by Dfid. • PACS works in areas with the highest number of backward communities and the poorest districts. PACS works towards strengthening negotiating power through advocacy and training. • PACS is operational in MP, Chatisgarh, Bihar, UP and Jharkhand • The programme works with local civil society organisations, and provides a series of grants and works to network organisations to have a strong lobbying position at the state level. • Programme Duration: 2001-2008, Budget: £ 25 million 	<ul style="list-style-type: none"> • The PACS programme is focusing on the first step of successful participation – local capacity building and networking. • The implementing ngo DA is very well respected within the development community as well as having a strong standing in local communities. • The Programme has been operating smoothly and local partners have been responsive. As a result, learnings from the programme have focused on local level initiatives rather than management principles.
Action Aid			

IFFCO			
Indian Social Sciences Trust (ISST)	ISST is primarily a research body, focused on exploring issues with regard to social justice and specifically women.	<p>ISST has already conducted a series of relevant research studies focusing on</p> <ul style="list-style-type: none"> - The role of ICT in rural poverty alleviation - The challenges being faced by rural poor communities in dairy projects and cooperative management structures <p>They have conducted a pilot study for the GOI on the ways in which private and public institutions can ensure effective implementation of the National Rural Employment Guarantee Scheme. This pilot study was done with the focus on understanding the role of migration patterns and how best to integrate them into NREGS policies.</p> <p>ISST also has a very strong research dissemination mechanism that networks with both local grassroots organisations, and policy makers.</p>	<p>ISST's strong research skill base, and field experience will be contribute towards positive learnings from the field being documented and disseminated to research institutes and policy makers.</p> <p>Although IDRC's aim is not to enforce policy change, most of the key research strategies imply policy change will be required. However, rather than enforcing change, it can be encouraged through persuasive and effective communication and research. ISST will be a valuable partner for this purpose.</p>
International Fund for	Very simply put, IFAD works	• IFAD has had an impressive	• IFAD's work in Uttarakhand

<p>Agricultural Development (IFAD)</p>	<p>globally to capacitate agricultural communities vis-à-vis production, negotiation, marketing etc.</p> <p>IFAD's Rural Poverty Report (2001) outlined the needs of the rural poor in order to ensure productivity and growth. These were: assured access to assets, markets, and decentralised resource management.</p>	<p>track record in Northern Indian states. It's 'Livelihoods Project in the Himalayas' has been instructive for many in how to successfully set up community managed marketing board – Social Venture Capital Company (SVCC).</p> <ul style="list-style-type: none"> • Timeline: 2004-2012 • Total Budget: US \$ 84.3 million • IFAD grant: US \$ 40million • Partners: IDB, Dfid, World Food Programme 	<p>has put them in a very strong position with regard to local access and credibility. By the end of 2006, the program aims to have reached 17,000 households. The strength of the programme is that it aims to have communities owning all institutions.</p> <p>This platform will provide IDRC both co-financing opportunities as well valuable learnings from their ongoing project.</p>
<p>Dfid</p>			
<p>Action for Food Production AFPRO</p>	<p>AFPRO is a technically orientated ngo with a focus on rural empowerment through watershed development, and food security. Afpro is committed to equitable growth and gender sensitive development.</p>	<ul style="list-style-type: none"> • Afpro has several ongoing projects, primarily in the north-eastern states in India. Although they are a relatively small ngo, their programmes have been highly successful and have attracted multiple international donors. • It is unlikely that they are in a position to co-finance projects. 	
<p>BASIX</p>	<p>Basix works with small farmers groups and self help groups to provide support with credit. Basix mandate includes</p>	<ul style="list-style-type: none"> • BASIX has initiated a Livelihoods Enhancement Action Platform (LEAP) in AP, MP and Jharkand. 	

	providing accounting discipline to groups and giving them marketing identities.	<ul style="list-style-type: none"> • BASIX works with rural households to provide insurance for production, thereby reducing risk. 	
IDRC ongoing			