

The Underbelly of Rural India, SECC 2011 & Way Forward

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Abstract

The Socio Economic & Caste Census (SECC) 2011 is a remarkable report by unfolding critical economic trends in rural India in terms of asset ownership, employment, Mean Years of Schooling (MYS) and social inclusion. Given the distressing findings of endemic casual labour, destitution, low access through Kisan Card, financial inclusion for people in the bottom of the pyramid poses serious policy challenges. The paper argues that **rights based approach which puts a premium on opportunity, empowerment and social security** will be the right way forward. The Policy Effectiveness Index (PEI) approach provides useful insight to our unsatisfactory law and order situation and poor employment opportunity. It advocates **eschewing rural urban migration as a strategy**; it instead calls for investment in Agricultural (R&D), agro industry development, quality education and skilling as the templates for coalescing growth and Human Development Index (HDI).

Keywords: SECC, MYS, PEI, HDI

INTRODUCTION

“Poverty is humiliation, the sense of being dependent on them and of being forced to accept rudeness, insults and indifference when we seek help”, says a Latvian Woman. Reading the first Socio Economic & Caste Census of Independent India, one cannot but sense the helplessness that shrouds nearby 60% (504 million) of rural poor & the poignancy of the statement of the poor woman of Latvia in 2000. Rural India accounts for 66% of India’s population with a GDP share of only 13.7% (2014). It is marked by disguised employment (Nurkse), riven by caste politics (Kothari). **The present survey is, therefore, timely & insightful as it brings out fresh perspectives on the underbelly of rural India.** The report cleverly skirts collecting caste data of OBCs; possibly due to the scathing criticism of Supreme Court in JAT reservation case (Ram Singh Vs. UOI: 2015). **In a sense this census is more into the economic dimensions rather than the social dimension of rural India.**

This article seeks to highlight (a) The All India trends in terms of various types of deprivation (b) Interstate profile of asset ownership, employment, literacy and social inclusion (c) The policy options for mainstreaming rural India into the growth story and (d) The Way forward.

ALL INDIA TRENDS

Based on a survey of around 895million rural population, the SECC-2011 has come to the conclusion that **60% of rural population are deprived multi-dimensionally in terms of landlessness, high incidence of casual employment and poor access to credit.**

Table-1- Major All India Findings (Rural)

Parameter	% of Households
Land less & Casual Labour	38.3%
Illiterates	36%
Government & PSU Jobs	5%
Private Sector Jobs	3.6%
Destitute	0.4%
Income Less than Rs.5000	74.5%
Owning Mobiles	68.3%
Kisan Cards	3.6%

Source: SECC Report 2011

The interesting insight offered is in ownership of mobiles which cuts across income slabs. The data on destitutes who depend on alms and rag pickers in new. Also the information that access to credit (Rs.50000 and above) through Kisan cards is presently available to only 4% of population is surprising in view of the proliferation of populist schemes like Jan Dhan and loan melas.

(B) ASSET OWNERSHIP, EMPLOYMENT, LITERACY & SOCIAL INCLUSION

The report brings out new insights in regard to movable and non movable assets in our rural hinter land. They have been carefully segmented into agricultural implements and modern conveniences like refrigerators and mobiles.

Table-2- Asset Ownership Profile Movable and Unmovable (Rural)

States	% with no Land	Mechanical Equipment	Irrigation Equipment	Kisan Cards	Refrigerator	Mobile
All India	56	4.1	9.8	3.6	11	68.3
Punjab	65	16	23	8.2	66.4	79.5
Odisha	54	0.9	1.6	1.5	4.8	33.5
Bihar	65	2.5	5.2	2.4	2.6	82
Gujarat	55	8	13.6	2.5	16.1	70
Kerala	72	0.36	4.3	0.6	41.5	60

Source: SECC Report 2011

It would be seen from the above that states like Punjab have very high degree of asset ownership; both in terms of tractors, diesel motors as also refrigerates. Gujarat has also improved significantly in terms of agricultural assets which has contributed to significant growth in agriculture (7%) compared to other states (3%) as brought out by Dr. Ashok Gulati (2009)

The ubiquitous mobiles have no rural-urban divide and is the shining totem of a hyper connected world (Friedman). Surprisingly Odisha lags behind (34%) compared to Bihar (82%) the terms of mobile. **The sense one gets is that the data on Odisha requires revalidation.**

Unemployment & Its Challenges

After liberalization and dismantling of the 'control' culture, India has been marching on a high growth trajectory (around 7% during the last two decades). However, there is a serious mismatch between India's high GDP growth and growth in employment as the following table brings out.

Table-3- Employment, GDP and Employment Elasticity

Parameter	93-99	2000-2012
Employment Growth	1.1	1.4
GDP Growth	6.8	7.3
Employment Elasticity	0.16	0.19

Source: Economic Survey 2014-2015

Quite clearly the growth momentum in India have come predominantly from the services sector which account for **60% of India's GDP. This sector does not have adequate employment or potential elasticity as the above table would show.**

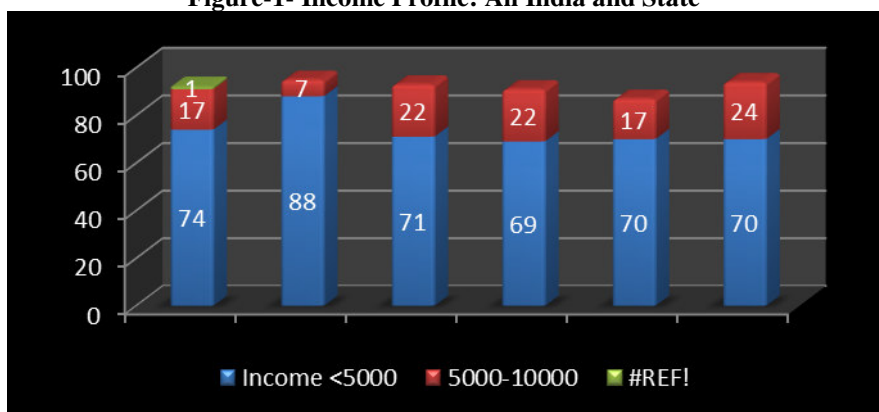
The Survey brings out that roughly 51% of rural population is engaged in casual manual jobs without proper legal safeguards. It also brings out that high incidence of population with low income levels (around 74%), while the middle class exhibits sharp interstate variation. There is also tendency towards income concentration at the top in states like Kerala.

Table-4- Employment Profile (Rural)

States	Salaried Jobs	Private Sectors	Casual Labour	Income <5000	5000-10000	10000 & More	Begging & Rag Picking
All India	9.7	3.6	81.0	74	17	9	0.4%
Odisha	6.8	1.9	39.5	88	7	5	0.6%
Bihar	6	1.3	54.3	71	22	7	0.6%
Gujarat	9.5	5	36.9	69	22	9.5	0.3%
Kerala	14	6	40	70	17	12.3	0.22%
Tamil Nadu	11	6	55.8	70	16	6	0.5%

Source: SECC Report 2011

Figure-1- Income Profile: All India and State



Source: SECC Report 2011

It would be seen from the above that states like Odisha and Bihar have very little opportunity in terms of government jobs and private sector jobs; while states like Tamil Nadu and Gujarat have provide better employment opportunity because of proliferation of industries and huge investment in infrastructure.

Begging and rag picking like scavenging are the worst possible social scar that a civilized society can have. While a figure of 0.4% may not be alarming, it is a national shame that 3.6million poor Indians are willy-nilly engaged in such disdainful way of survival. This is reflective of our general indifference and callousness; particularly of the rising middle class (Harsh Mander). I would hazard a guess that the data collected shows a high degree understatement.

Literacy Profile

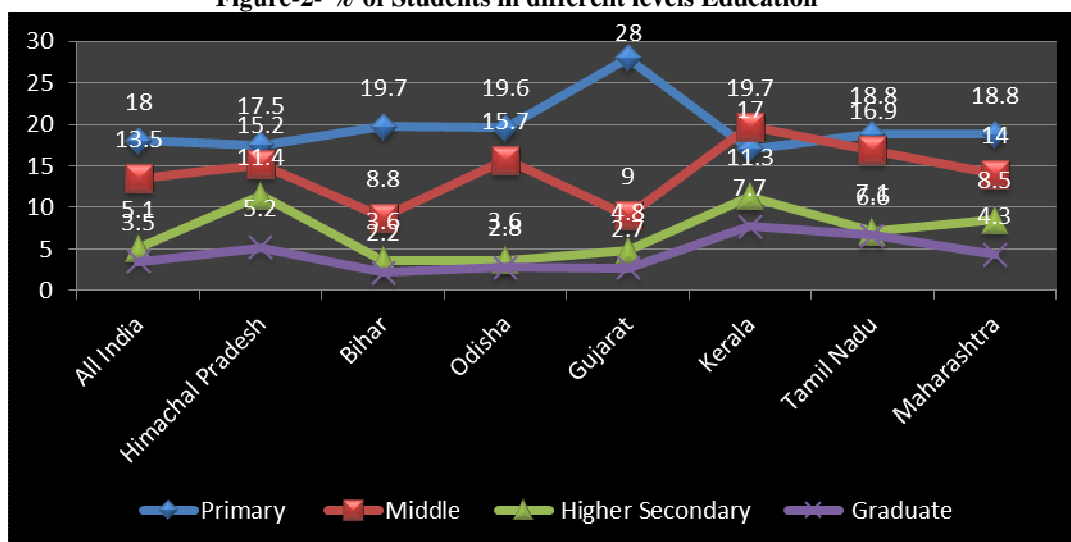
Universal access and high quality have to be the basic touchstones of education at all levels. It acts as the harbinger for better employability both within the national and global space. RTE Act, 2009 has ensured that there is substantial increase in access to primary education (97%). However, the following table brings out how low illiteracy percentage of students afflict different education brackets, both all India.

Table-5-Literacy Profile: All India and Selected States

State	% Illiterate	% Primary	Middle	Secondary	% Higher Secondary	% Graduate & Above
All India	35.7	18	13.5	9.57	5.1	3.5
Himachal Pradesh	22	17.5	15.2	17.7	11.4	5.2
Bihar	44	19.7	8.8	6.3	3.6	2.2
Odisha	35	19.6	15.7	9	3.6	2.8
Gujarat	31	28	9	10.6	4.8	2.7
Kerala	11.3	17	19.7	23	11.3	7.7
Tamil Nadu	26	18.8	16.9	14	7.1	6.6
Maharashtra	29.6	18.8	14	15	8.5	4.3

Source: SECC Report 2011

Figure-2- % of Students in different levels Education



Source: SECC Report 2011

The above table clearly brings out why our Mean Years of Schooling in India is 4.4% as against over 12% in most of the developed countries (HRD: 2014). Kerala and Tamil Nadu have a significant edge over other states in the percentage of higher secondary and graduates. This clearly explains why the service sector is deluged with Malayalees and Tamilians. It also brings out why Prof. Amartya Sen is more inclined towards the Kerala model compared to the free market Gujarat model of Jagdish Bhagabati. The Economic Survey 2014-2015 buttresses the above contention as each sector provides a pen picture of the kind of education required to get employment.

Table-6- Educational level in Different Sector

Sector	< Primary Level	Secondary Level
Agriculture	0.445	0.139
Mining	0.511	0.221
Construction	0.518	0.144
Manufacturing	0.628	0.248
Financial Services	0.976	0.836

Source: Economic Survey 2014-2015

It would be clearly manifest from the above that a sector like financial service would require educational requirement of secondary level and above even at the lowest level which will also be lucrative.

Social Inclusion

The following table brings out how SC & ST population are located in different states and how certain states like Jharkhand and Odisha have a preponderance of such population compared to the All India average and states like Kerala.

Table-7: SC & ST Households

States	% SC Households	% ST Households	Total
All India	18.4	10.9	29.3
Punjab	36.7	-	36.7
West Bengal	28.4	7.2	35.6
Odisha	18	23.9	41.9
Jharkhand	13	28.8	41.8
Kerala	10.3	1.6	11.9
Gujarat	6.2	21.4	27.6

Source: SECC Report 2011

The policy challenges for scheduled caste (Ambedkar) is one of removing discrimination while in case of schedule tribes it is one of transcending alienation (Verrier Elwin). In this backdrop, reduction in allocation to SC/ST Sub-plan during 2015-2016 is really insensitive.

Table-8- SC & ST Sub-Plan: Trends

Program	2014-2015	2015-2016	% Change
Scheduled Tribe Sub Plan	20535	19790	-6.3
Scheduled Caste Sub Plan	33638	30850	-1.7

Source: India's Budget 2015-2016

The 12th Plan (2012-2017) has flagged “High growth and Higher inclusivity” as its major thrust areas. Recent tendencies to reduce allocation in social sector programs and flagship programs like MNREGA which provide employment to millions of SC & ST should be severely eschewed.

(C) POLICY OPTIONS

(i) Rights Vs. Goals

The Indian Constitution provides justiciable Fundamental Rights like Right to Equality, Right to Freedom and Life. On the other hand the Directive Principles provide a mandate to the state to usher in socio economic justice through equitable distribution of national wealth and creating humane conditions of works for children and women. The 25th Amendment (1971) envisaged a major change in the Right to Property (Article 31C) as per which distributive justice like land reforms would not be impeded by right to equality and freedom. The Kesavananda Bharati case (1973) has endorsed this amendment and has been a landmark decision as it has **recognized the socialistic urge of a popularly mandated government**. However, one of the unfortunate scripts of Indian democracy has been its palpable failure to change the contours of land ownership which is often mired in endless litigation. However, initiatives like **MNREGA (2005), Right to Food (2014) and Right to Education (2009)** have provided a template of humanism to the majority of Indian poor. In contrast, goals like **Right to Health & Sanitation, Right to Shelter and Social Security** have remained as pious platitudes. Madhav Khosla brings out how the South African Constitutions (1999) has been far more progressive in this regard by ensuring Right to Shelter for all.

WORLD BANK STUDY (1999)

The World Bank study “The Voices of the Poor” (1999) which surveyed 60 countries has proposed a three pronged strategy for poverty reduction viz. **promoting opportunities, facilitating empowerment and enhancing security**.

- **Promoting Opportunity**

The major cause of poverty in rural area is clearly linked to lack of physical assets, social assets like education and health and financial assets like easy access to credit. As the SECC has brought out, **56% of population are land less, 36% are illiterates and only 3.6% are having Kisan Cards**. Barring states like Punjab and Gujarat, the assets support in terms of agricultural implements is also abysmally poor. The land reform legislation which was aimed at redistributing surplus land and reducing concentration of wealth have been by far ineffective except in a few states like West Bengal and Kerala.

- **Facilitating Empowerment**

Empowering poor people aims at strengthening participation of poor people in the decision making process, eliminating various forms of discrimination and making state institutions more accountable and responsive to poor people. The state, therefore, has to play a critical role to empower poor people by (a) **curbing corruption and harassment** (b) ensuring that legal system is fair and accessible to poor and (c) making sure that delivery of local services is not captured by the elites. Though Right to Free Legal Aid was incorporated as Article 39A, the widely held perception is that the legal system favours the rich and powerful and is of then unduly dilatory. Besides, lack of an effective watchdog like Lok Pal has fostered corruption at all levels.

- **Enhancing Security**

This refers to reduction in poor people’s vulnerability to various forms of insecurity like natural disasters, crop failures, that requires a range of insurance mechanism such as health and old age insurance, unemployment insurance and insurance against crop failures etc. Social security, therefore, has to play an extremely important role. The large scale suicide of the farmers due to crop failure and loan default and lack of Right to Shelter provision as fundamental rights have made the poor extremely vulnerable to vagaries of nature and health.

RURAL URBAN SHIFT

There is a constant refrain that teeming unorganized cultivators and workers should be shifted to manufacturing hubs and service sector jobs in the towns. Economists like Prof. Subramanian argue that India’s growth strategy should be “low skill labour intensive exports” which worked wonders for China. In contrast, Rajan rightly brings out that this could be a highly flawed strategy as China’s growth story is getting severely challenged due competition from highly skilled western manufacturing nests of Germany & Japan. Mrs. Isher Judge Ahluwalia rightly brings out in her seminal book ‘*Transforming Our Cities: Postcards of Change*’ the insuperable challenges that confront urban planning; it will be like urban sprawl with no planning!

POLICY EFFECTIVENESS INDEX

The **India Policy Report 2014** takes a multidimensional approach as it looks at four indices viz. **Livelihood Opportunity Index, Social Opportunity Index, Rule of Law Index and Physical Infrastructure Index** to calculate the Policy Effectiveness Index for India and the states. The following table brings out the PEI for 2011 and the various components of policy effectiveness.

Table-9- Average Consumption Expenditure (Rural)

State	Rule of Law Index (ROLI)	Physical Infrastructure Development Index (PIDI)	Livelihood Opportunity Index (LOIC)	Social Opportunity Index (SOL)	Policy Effectiveness Index (PEI)
All India	0.11	0.5	0.37	0.32	0.28
Bihar	0.10	0.26	0.37	0.24	0.22
Gujarat	0.08	0.64	0.44	0.38	0.30
Kerala	0.07	0.47	0.29	0.47	0.25
Odisha	0.1	0.2	0.33	0.4	0.20
Himachal Pradesh	0.13	0.71	0.42	0.41	0.30

Source: India Policy Report 2014

The key findings are (a) very low level of **law and order and poor justice dispensation system in all states** (b) general improvement in physical infrastructure and (c) **low level of livelihood opportunity**. The overall impact of various policy initiatives is unedifying. This calls for greater empowerment of the poor in the decision making process, accountability of public institutions and transparency in the process of decision making and implementation.

CONCLUDING THOUGHTS

While taking note of the policy options available, some of the other critical aspects which must be addressed urgently so that there is coalescence in our growth and development story for all the stakeholders in rural India.

(a) Investment in Education, Health and R&D

Allocation to social sector and R&D has been poor in India compared to Developed and Emerging Market Economies. This reflects very poorly on our Human Development Index. The high incidence of child mortality, maternal casualty, malnutrition and low levels of education are manifestation on our low level of social sector spending compared to developed countries.

Table-10: Development Indicators and Social Sector Spending: Global Comparison

Country	HDI	Development Indicators			Social Sector Spending as % of GDP		R&D
		IMR	MMR	MYS	Education	Health	
USA	0.914	6	21	12.9	5.6	17.9	2.66
Germany	0.911	3	7	12.9	5.1	11.1	2.85
Japan	0.89	2	5	11.5	3.8	9.3	3.48
South Korea	0.891	3	16	11.8	5.0	7.2	3.45
India	0.586	44	200	4.4	3.3	3.9	0.9

Source: HDR 2014

Besides, the low level of R&D spend compared to best global practices has hindered our design capability and innovation and scuttled patenting and quality publication.

(b) Agricultural Productivity and Agro Industry

One of the major disappointments of our planning in the rural sector has been the hiatus between targets (4-5%) and actual achievement (2-2.5%) in the agricultural sector. As Prof. Gulati & Alagh bring out, this is due to significant reduction in public investment in irrigation over the years and inadequate attention to agricultural, R&D, education and extension services to the farmers.

The following table brings out our yield % per percapita, compared to the world's best yield records.

Table-11-Yield per Hectare

Crop	India	World's Best Yield	Country
Rice	22.4	100	Egypt
Wheat	29.1	79.3	UK
Coarse Cereals	14.1	103.4	USA
Oil Seeds	11.6	33.6	China

It would be seen that some of the best yields come from countries such as Egypt and China. Needless to say; higher productivity will ensure food security and stability of food prices which are prone to high inflation. A viable strategy for India would be build 'Agro industries' in rural areas as initiated successfully in Punjab in the

late 1980s which stemmed widespread resentment due to unemployment. Besides, agricultural exports should be encouraged. Instead of urban shift we need to buttress productivity and broad base our industrial activities in the rural areas.

For Gandhi, India lives in the villages and not in its cities. He was a firm votary of Panchayati Raj with decentralized grass root planning and empowerment. This requires adequate funding to education, sanitation and skilling. The Skill India Report (2014) rightly brings out that employability of Indians is as low as 7%. Therefore, rhetorics like Skill Vrs. and measly allocation of Rs.15000crore for skill up gradation are not the way forward. As Rosenstein Rodan (1943) argued rural India needs a 'Big Push' in investment for agricultural productivity, skilling, quality education and easy access to formal credit, empowerment and social safety net.

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