

MYRADA
Rural Management Systems Series
Paper – 70 and Annexure 1

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An occasional paper–The Future of Myrada--- for discussion

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INTRODUCTION AND SETTING THE FRAMEWORK

This paper addresses a few major issues and contains suggestions regarding the possible future strategies of Myrada. There are others which can be identified and included as we progress in our discussions with the Board and the staff. These suggestions regarding Myrada's future involvement are meant to trigger discussion at the Board and at various levels in the organisation. These suggestions could be considered to be half baked because their purpose is to trigger a debate, not to provide answers. They are by no means comprehensive. This is a process which VOs normally adopt so that stakeholders at every level in the organisation buy into the process of planning for the future.

This paper, in six parts, attempts to draw attention to the following issues which could have an impact on future policy and strategy of Myrada :

Part 1. Major shifts in development discourse (from older themes to newer ones): The first major shift is that Poverty no longer dominates development discourse. This is discussed in **Part 1 A. Other themes have taken its place like vulnerability of the production base, degradation of the environment etc.. However there still remains hard core poverty among small groups in the southern states and along major swathes in some central and eastern states. The landless also constitute a significant proportion of the hard-core poor. How is Govt responding to these challenges and how can Myrada play a role? This will be described in **Part 1B****

Part 2 Diversification of the livelihood base of the farming family: This part describes Myrada's experiences to improve the livelihoods of the farming family and suggests what could be its future thrusts and emphasis. This part does not adopt a radical shift in strategy in this sector; it attempts to suggest some areas where emphasis needs to be given in future in response to emerging trends.

Part 3. Change in implementation strategies: Voluntary Organisations (VOs) are no longer invited by Government to participate in rural development programs which it promotes. There are of course a few exceptions at State level. This is unfortunate. Yet most innovations in the past in the rural development sector have arisen and spread to scale due to a collaborative effort. Examples are the SAG movement, the Watershed program, NREGA, etc. Myrada's Board which has several Government officials who held/hold senior positions, could lobby with the State Govt. to include VOs once again in its programs.

Part 4 Emerging Initiatives: The emergence of rural Champions: Can Myrada’s approach broaden out in order to engage with others who are already opening new paths for engagement in the rural sector? If we look around, we find new models of engagement emerging in rural areas, largely by individuals, with a stress of “**volunteerism**”; they are often called **Champions** or entrepreneurs. Once they show a degree of success, they attract support from local people. They take up **initiatives** in natural resource management, inclusion, empowerment (related both to gender and poor), sustainability, decentralisation, local governance, sustainable farming methods, rural livelihoods, skills training and education etc. Myrada functions in a Project-bound area while these champions emerge all over in the District. How does Myrada relate with them? While innovations like these are usually found in the urban areas and quickly receive recognition and even capital (angel and venture), initiatives in rural areas are left to languish – the aura surrounding the term “Start Ups” seems to apply only to urban based initiatives.

Part 5. New trends in donor (non Govt) profile: From Voluntary donor organisations (mainly from abroad) to Corporates through CSR. The issue highlighted here is the increase in Programs supported by Corporate Donors. Though this may not require a significant change in our organisational structure –since Corporates are comfortable with it – will it require Myrada to develop staff skills in certain areas where we are still deficient? For example, Corporates want verifiable data related to impact; they are not so interested in processes. Do we have the skills and technology to assess impact? It will also require an effort on the part of VOs (especially major ones like Myrada) to educate Corporates on the differences between agreements with their subsidiaries which are for profit companies and VOs. They will also have to understand that processes (which give priority to involvement of the stakeholders) may take time and extra funds but are important to build a basis for the sustainability of impact and to increase the benefits to those at the bottom who could be left out unless the processes focus on giving them space for effective involvement.

Part 6. Decentralisation: The problem of the last mile. Could we question whether Myrada’s strategy adopted from the late 80s to manage the last mile (largely through people’s institutions) is appropriate to cope with future challenges arising from the initiatives mentioned above especially the innovations of rural Champions which are increasing rapidly. Just as Myrada needs to re-asses its project bound approach, it also needs to reassess its strategy to manage the last mile. This question arises in the context of past experience of Myrada where programs which had the greatest impact in terms of the participation of the poor, sustainability and up-scaling were those where the last mile was managed by people’s institutions which they had crafted, in which they were stakeholders who invested time and money and over which they had control. The SAGs, CMRCs, MASS, MEADOW are good examples. Part 2 Chapter 4 of the book “50 years of Learning” which is entitled “The Myrada network of financially self-reliant institutions” provides several examples of people’s institutions which managed the last mile and have sustained the impact for several years after Myrada withdrew.

Is this sufficient to cope with the future or are other networks required to cover the last mile which are supported by communication platforms apart from institutions? How does Myrada incorporate rural Champions in its overall strategy to achieve objectives which it shares with such Champions over an area wider than its project boundaries within which it builds peoples institutions. Can we develop alternative strategies to stay in contact and mobilise these champions? Can social media play a role here? And most importantly –what role does the **Gram Sabha** play in the last mile strategy? It is a participative peoples’ institution (like the SAGs), not a representative one. Can this feature make it a more effective player in managing the last mile especially with regard to managing natural resources in a sustainable manner and supporting peoples institutions which are set up to manage schools (School Betterment Committees), health/sanitation (Ashas, sanitation committees etc)?

Organisational and operational structure and culture of Myrada: This is not a separate issue and hence will not be described in a separate part but incorporated in all the above parts. It cuts across all the others described above. Could we assess –after reflecting and analysing together –whether Myrada’s present organisational and operational structure, culture and skills can relate with and build on these new shifts away from poverty, with new initiatives of champions/entrepreneurs, with the Gram Sabha, whether Myrada has the skills required to cope with the requirements of Corporates and whether Myrada can find the space to lobby with Government to involve VOs and people once again in Government programs in the rural sector? References to the challenges these new initiatives present to Myrada’s structure and culture have been made throughout this paper; they are relevant to each part. Do we require another mini DPTP to flesh out the implications of this approach??

Meanwhile we will consider each of the issues/shifts mentioned above in greater detail so that a reasonable amount of information and data is readily available on the basis of which discussion could proceed.

This paper nudges Myrada towards incremental changes, with emphasis on some sectors over others since diversity is a major factor that must be taken into account in rural development. It does not suggest radical changes in strategy or structure or standardised models.

This paper however is incomplete. There are other sectors which have also to be debated. For example, what is Myradas approach to Health, Education, skills, rights, etc. These will be presented in another paper which will follow shortly.

PART 1. SHIFT IN DEVELOPMENT DISCOURSE –will it lead to shifts in strategy?

A. Shift in development discourse: Till 2000 or so, poverty, especially extreme poverty (below \$2 per day) dominated development discourse and provided a basis for policy and programs to focus on eradicating/mitigating it (IRDP, SGSY, NRLM, NREGA are examples) Many in India were uncomfortable when we had to face reports which showed that India had the largest number of extreme poor; it was also a challenge. Myrada was one of the major VOs that accepted this challenge.

Note: The \$2 per day norm is most convenient but not a complete base line (which includes HDI etc); it is however widely accepted.

Extreme poverty has decreased considerably. If we go by several reports, this situation has changed. Analysis of data collected by various institutions both from India and abroad show that extreme poverty has declined between 2004 and 2018. Admittedly there may be biases and the fashion today is to counter facts by “alternate facts”. But the overall trend emerging is that extreme poverty has declined. Several studies including the latest by the Brookings Institution show a remarkable reduction in extreme poverty, these reports claim that as of 2018, **India has 73 million people living in extreme poverty. There are 87 million in Nigeria.** For the first time India does not have the largest number of people living in extreme poverty in spite of its large population. Around 2000 India had 20% of the world’s poor; this has fallen to 11%. In about 13 years India has reduced the number of people in extreme poverty from 270 million to 73 million. We no longer hold the first position! No wonder “poverty” has almost vanished from our developmental discourse. But the question is: Has extreme poverty declined significantly in rural areas where Myrada works? Evidence gathered from field visits indicates that the answer is YES! Another related question which will not be discussed here, is to ask how this sharp improvement occurred when the formal economy did not register any abnormal growth rate as well as a sharp increase in jobs. To reduce the figure to 73 million would require a growth rate of over 10% consistently which we surely did not have in the formal sector. Was this improvement the result of growth in the informal sector? Or was it partly due to the growth in the urban service sectors related to delivery (Swiggy, Dominos, Amazon) and mobility (Uber, Ola) which are partly in the informal sector?

*However, a recent survey called the Multidimensional Poverty Index (MPI) 2015-16, gives another picture. It is more comprehensive than the Human Development Index (HDI) of the UNDP which is criticised for giving undue weightage to the income component. The MPI created by Sabina Alkire and James Foster of Oxford Poverty and Human Development Initiative uses 10 indicators to poverty in three dimensions: education, health and living standards. In the MPI, India stands 53rd out of 105 developing countries. **Poor nutrition is the largest contributor to this low assessment.** The GOI however strongly refuted the findings of MPI. Bihar remains the lowest on the HDI index over the past 20 years. Odisha which was lowest 20 years ago has made significant improvement All the 50 poorest Districts are in Bihar, Jharkhand, MP, Chattisgarh, Rajasthan, Odisha and UP. Over half the population is Bihar and about 40% in MP and UP are multidimensionally poor. **According to MPI there are at least 320 million MPI poor in these States.** (At the other end are Kerala 1%. Delhi, Punjab, Goa, Sikkim, and T.N. 4% to 7%.) The more significant discovery of the MPI is that the gap between the Northern/Central States mentioned here and the southern States has widened –particularly against 13 indicators –just as the gap between the rich and poor in India has widened as is explained in the following paragraphs.*

Some other studies however still claim that there are 270 million in extreme poverty mostly in the rural area. The actual situation could be somewhere between the two (100-150 million). However, the point is that “eradicating poverty” is no longer a dominant and expressed objective in development discourse. This could reflect one of two situations: either the number of poor has declined considerably

or the extreme poor are still around- about 100-150 million- but have been reduced to “silence” or their voice is drowned by the not so poor groups whose aspirations/expectations have not been met like the Jhats, Patidars, Marathas, Kapus etc. Government and the media, as history shows, responds to such vociferous demands.

With a gross GDP of \$ 2.597 trillion, India is the sixth largest economy and has surpassed France. But GDP is an “incomplete” indicator”; it only represents the current growth rate of the economy and does not reflect any anomalies in distribution and excludes the value of government services, clean air and the work of subsistence farmers.. It also tends to include as growth what one would normally consider to be waste. A bore well drilled for 1000 ft which is dry adds more to the GDP than an open well hand dug of 50feet with water. But for want of a better platform which reduces growth to figures, the GDP till rules.

Myrada staff who are involved in developing proposals need to keep this decline in absolute poverty/core poverty in mind; many are still focusing on “the poorest of the poor” even in the context of a project area approach even though the hard core poor have been pushed into small highly vulnerable areas/pockets and are often overlooked in an area approach. Since our programs are largely focused on land (soil and water), the landless who constitute part of the hard core poor also tend to be given less importance....not deliberately, but because of the structure of the land based project During project preparation, could the staff identify the habitations/settlements on the outskirts of villages which are not revenue villages and therefore neglected, every landless family and all those in the hard core category in the project area and ensure that they benefit from all government programs and that they are members of SAGs? Their progress should be monitored separately are regularly. Can the staff change or broaden their vision to go beyond the major sector which is supported by the project which is usually watershed management or dryland agriculture or health or promotion of people’s institutions? Do we need a mini DPTP (Development professionals training program to help broaden their vision?)

But the gap between rich and poor has increased. Another gap has emerged. Indications are that the gap between the poor in rural and urban areas and the well-off has increased sharply. The Gini coefficient is one way of measuring inequality. A reading of 100% denotes perfect inequality and zero indicates perfect equality. Three categories of inequality are identified a) income inequality b). consumption inequality and c) wealth inequality. All reports show an increase in income, wealth and consumption in all categories of the poor, but all reports also show an increase in the gap between the rich and the poor. What is debated is the size of this gap. While some reports show a sharp increase in the wealth gap, the Government does not accept it.

However what concerns Myrada and which must be pointed out, is that the gap between the upper sections and the lower cuts across urban and rural society. It is not only between urban (India) and rural (Bharat) families. We notice another gap in the rural area. We now have a Bharat 1 (villages where the majority are in the middle/lower middle class and which are provided with basic services,- most of them in medium to high rainfall and irrigated areas who have benefitted from the green revolution and cash crops as well as from jobs in Government and the private sector) and Bharat 2 (villages in dry areas, far from cities and towns, with erratic/low rainfall, poor soils, limited infrastructure and livelihood opportunities as well as small marginalised groups in habitations which are not in the list of revenue

villages in Bharat 1 areas). The stress of the rural poor in Bharat 2 is increasing due to declining natural resources, lack of employment opportunities, reduction in size of land holdings, lack of employable skills and opportunities, corruption and inefficient delivery systems in health, education, food and other services/entitlements.. Hence this group continues to be vulnerable and in many cases this vulnerability has increased especially where there is a scarcity of natural resources including inadequate water, poor soils and shrinking acreage under cultivation per family. Natural disasters add to this vulnerability. The main income source for rural families in Bharat 2 is now labour on private farms, in Government schemes (NREGA), through migration for work in construction. These sources are not regular and wages are low and depend on fluctuations in demand and supply. The recent attack on migrants in Gujarat and elsewhere due to pressure from locals who are unable to compete with migrants in the labour market who work for lower benefits, increasing restrictions on some of their livelihood activities related to animal transport, slaughter and sale, has increased their vulnerability. Unless Government is careful, Bharat 2 could find itself falling off our playing field with nowhere to go – a potentially explosive situation.

The other popular indicator, the PCI(Per capita income)clubs together both billionaires and beggars. What is emerging however is that the income inequality (measured by the Gini scale) is at a historic high as per the World Inequality Report which shows that it is the second highest in the world, higher than in capitalist US and so-called communist China; this can cause social tensions especially if aspirations are not met. Another report places China as more unequal than India. I believe that GDP growth is good and it has raised millions above the poverty line especially in the informal sector of the economy, because it opens up opportunities which are being used especially in the informal sector. Education, empowerment (especially building human capital) has also helped.

Myrada staff need to be aware of this increasing gap. There are often unintentional effects of our interventions which may contribute towards increasing this gap. We need to analyse the impact of our interventions keeping this in mind. For example, if the main focus of the project is watershed management, we could easily leave out the landless and those who are unable to take the initiative to avail of the services provided by Govt and the project. There are marginal farmers for instance who cannot avail of the loan/subsidy because their land documents are not in order or not available. Tools for this analysis are available and have to be provided to the staff through training. But more importantly staff need to develop a vision of a society without discrimination, a modern and moderate society which provides opportunities to all.

The hard-core poor: My field visits to the southern States (Karnataka, Tamil Nadu, Andhra) in and around project areas where Myrada is working, tend to confirm the above data on decreasing extreme poverty. They show that extreme poverty is now localised in small areas in the three southern States mainly in rain shadow areas, dry belts, remote villages and in small groups like the Chenchus in Andhra. Haki-pikis in Karnataka, tribals and semi tribal groups, in Kodagu, BR Hills, Nilgiris, North Kerala, and in parts of the Western Ghats and lambanis in North Karnataka. (Gollarahattis, Vadarahattis, Kurubarahattis, Nayakarahattis etc). One has to look for these groups. Most of them live in settlements or habitations, located on the fringe of the main revenue village. These habitations are not recognised as revenue villages and hence do not receive funds, since technically Govt can only support infrastructure and provide services in those villages listed in revenue records. The Govt of Karnataka recently identified 2742 such habitations which it plans to convert to revenue villages; but there are hundreds more. Even if converted to revenue villages, they may get rights to house sites, it does not automatically mean that they will get a fair share of resources as they have little voice in the GS and GP. This is where Myrada can play a role by organising them into SAGs and building their confidence to ask for their rightful share.

Myrada works with tribal in Kote (now handed over to MYKAPS) and in the BR Hills. There are also larger groups of poor, largely tribal in Bihar, MP, Chattisgarh, Rajasthan, Jharkhand, Odisha, Eastern Maharashtra and N.E. where Myrada has no programs. The HDI index shows that the poorest 50 Districts are in these States; they fall in Bharat 2. These are areas where Activists fighting for the rights of tribal groups are more visible. Hard core poverty is also located in these States especially among the tribal – where nutrition is a major problem. Some areas in Bharat 2, in the southern States where poverty is still visible are mainly those in Tamil Nadu and Andhra where rainfall is very erratic and scarce and other water sources are limited or non-existent like Chittoor, Anantapur and parts of Guntur in Andhra (Myrada has programs in two) and in Dharmapuri, Ramnad, Shivagangai and Virudunagar in Tamil Nadu (Myrada has programs in Dharmapuri and in parts of the adjacent District of Krishnagiri. But many from these areas have migrated regularly for jobs since agriculture is so risky and land holdings inadequate. Their remittances or expenditures when they return periodically keep the local economy going. This trend of migration is now growing - from Bihar, Odisha and Eastern UP to the southern States for jobs in carpentry, plumbing. But employers especially in the construction industry still prefer workers from the southern States particularly Tamil Nadu for their long experience and professional skills, as well as for undertaking the riskier jobs.

The only States where I have seen extreme poverty – with a stagnant local economy - across wide swathes of land and large populations in spite of water availability and even good soils are --Bihar, Eastern and Central UP, West Bengal, Rajasthan, Odisha, Assam and Jarkhand; this is why several VOs involved in livelihood and empowerment programs, who I call Actionists as well as donors, have shifted to these areas. Many of the poor from these areas migrate to cities for a few months in the summer when there is severe stress largely for food and water; they work as unskilled labour on construction sites and roads; they do not migrate for long periods for jobs which require some skills as in the southern states. Of course, there is a separate category of agricultural labour which migrates to Punjab and Haryana every year to undertake agricultural operations for a few months; their arrangements with their employer are unique to this sector.

Overall, India produces enough food to feed all its citizens, **yet it is placed 100 among 119 countries in the Global Hunger Index ranking. So, there must be some pockets of core poverty and in some States rather large pockets of hard-core poor (extreme poverty)**

The Landless: Another challenge is that the landless constitute a large proportion of the hard-core poor. Myrada's traditional approach has been to organise them into SAGs, to provide training in of farm livelihood skills, to encourage savings and link them to banks. **We have also included them in our health programs in recent years, but we need to invest much more on education, health if and nutrition if they are to improve on the Multidimensional Poverty Index. It may be useful to focus on traditional practices which are obstacles to better nutrition especially of children and mothers (esp. pregnant women). Many of these practices are rooted in traditions and food habits which could be addressed. A good question our staff should ask is why is anaemia more prevalent among women and children than among men?**

We need to take special care to support the livelihood activities of landless. We assume that in a watershed program the landed will benefit though perhaps not equally, but in the case of the landless there is no land base on which to build a livelihood strategy. We have made efforts to mobilise them to join SAGs which included all those who decide to join a group some are landed, others landless. The landless who are usually in the minority, move from place to place for work and often cannot not follow the pattern of the daily lives of families who are engaged in agricultural operations. Hence, they find it difficult to attend SAG meetings which are scheduled

according to the convenience of the majority who are engaged in agriculture and on farm occupations.

Data from the Labour Bureau Oct 2018 shows that the rural crisis is not affecting only farmers, it is also affecting wage workers in the agri and non-agri sectors; most of these wage workers are landless or near landless. This data shows that real wages of agri labourers has grown at the rate of 0.77% per annum until Oct 2018. For non-agri labourers it has grown at 0.02% p.a. For construction workers who form the largest group outside agri labour, real wages have declined by 0.24% p.a. between 2014-2018.

Have we made adequate efforts to identify all the landless in the project area and to ensure that they have access to Government programs? Since the majority of our programs are land based (watershed etc) we may tend to neglect the landless and hard-core poor who do not own land. Hence a special effort is required right from collecting data of the landless and hard-core poor during project preparation, The SAGs and CMRCs have proved very effective in some projects in identifying the hard-core poor/landless and in organising access to Government programs, but their initial enthusiasm seems to be diminishing. A strong message is required to put this in focus. Again, as suggested earlier, a mini DPTP is required.

Government Programs to support the landless and hard-core poor: A few major ones are listed below.

Wages -A major program is NEREGA. Myrada should make every effort to enlist these families in NEREGA and ensure that they get job cards, employment and wages. NEREGA is backed by an Act and continues to operate in all States with varying degrees of success. VOs should be more closely involved in its implementation especially in monitoring whether people get their full entitlements and whether the hard-core poor are excluded and why? As part of project preparation, the staff need to collect data on the implementation of NREGA and enquire whether some are left out, whether all have job cards, where they have been given the stipulated number of labour days, whether they have been paid regularly, whether they are aware that there is an Ombudsman in every District whose job it is to receive and follow up on complaints.? They should develop of plan to mobilise the Gram Sabha to get more involved in implementation of NREGA and to ensure that the SAGs, CMRCs and other peoples groups monitor the program and provide feedback to the CMRC/Project/Panchayat.

Health. As for health services, the new Central Govt program which includes both public and private health institutions and is implemented through Insurance Agencies and Trusts is still not operational except in small pockets in the northern States. But the health program based on insurance launched by the previous Govt still exists and the State Govts also have health programs. An analysis of the existing health programs based on insurance show that they have not achieved much success and the poor especially have not benefitted. Myrada staff should ensure that these families benefit from this program.

Pension, support for pregnant mothers and support for the girl child care other programs launched by the States. Myrada staff should ensure that the hard corepoor have access to these services.

PDS is another program which is expected to provide the basics (food) to the hard-core poor. But there are many cases of fraud by Ration Shop Owners especially in interior regions and where people are illiterate, have no confidence and are not organised The SAGs can address these problems by ensuring that the poor families get their due share.

The present tendency in our projects is to implement only those items which are listed as a line item and which are backed by grants for investment and staff support in the project proposal (The PDO approach). We are not giving sufficient attention, concern and time to helping the hard-core poor (landless and near landless) to access government schemes. We need to recruit staff (or hire them ad hoc) with the specific responsibility to help this group to access government programs and to remove all obstacles in their path. We need to budget for their salary and costs in the project proposal. We should also clearly state which Govt. programs they will focus on and give a target to be achieved related to number of families assisted and amount mobilised. Incidentally we have got into the habit of reporting on the amount and number of loans mobilised from financial institutions; why not for grants from Government schemes? In brief -these families must be registered in all these State schemes and our staff should follow up to ensure that they are able to access these schemes and if not remove the obstacles. Myrada does not need donor funds for providing these families with basic needs/security, except for providing salary and related costs of staff dedicated to accessing these programs for the poor. But Myrada staff need to work outside the project framework which they are not accustomed to. Myrada staff needs to take the lead and then to motivate the SHGs and CMRCs to carry on this responsibility...since it is their social obligation as well to support the hard-core poor – they also need to give back to society.

-There are several other programs to support the hard-core poor which can be added to our strategy to support the hard-core poor and landless.

Questions/issues that Myrada needs to consider:

1. Would Myrada expand its programs in the Southern States?

-In Tamil Nadu (Ramnad, Shivagangai, Virudnagar? If Myrada decides to enter these areas (parts of which lie in Bharat 2), it would have to establish infrastructure etc. The Board will have to decide on this expansion. Dharmapuri is another case. Could Myrada continue not only to work in Dharmapuri but to expand its program there; this could be possible since the project has stabilised. Existing infrastructure and staff would be a good launching pad for extension in the districts of Dharmapuri and Krishnagiri to begin with. Or would we use the Champions approach as will be described later. Or rather a network of Champions instead of increasing our infrastructure.?. What does the staff of Dharmapuri think about this challenge?

- In AP -Myrada has infrastructure and staff in Anantapur. We need to make a serious effort to expand in this district where vulnerability is high and many areas fall in Bharat 2. But in order to do this, the capacity of Kadiri staff needs to be upgraded. They do not have the grasp of core issues and the confidence to approach Corporates. Hence, they need back up from the HO if they are to mobilise resources. In AP Myrada has in the recent past opened programs in Guntur and Prakasam –also drought prone areas. We need to consolidate the infrastructure and build up a good team in these Districts. Corporates are approaching Myrada to implement programs but unless we build up our capacity, we will not be able to respond as expected and may lose our credibility. The present Team Leader of Prakasam and Guntur is capable and needs to be encouraged. (He has since been promoted). His team also needs to be supported with training and exposure to other Myrada projects so that they are integrated into the myrada organisation and culture. Maybe it is time to acquire land for our office and infrastructure in at least one of these two Districts. Donors from abroad have pulled out from the southern states and hence it will be difficult to find funds for capacity building of staff and establishment of infrastructure from these sources. Funds for this may have to be raised from other donors since I am not sure whether the existing donors like NABARD and ITC will be willing to support our

infrastructure. Though it may be useful to approach ITC. However, capacity building for existing and new staff in Kadiri, Guntur and Prakasam needs to be done urgently. Funds from HO and interest from the Project Corpus could be used for this purpose. Staff of Kadiri and Prakasam need to come out with a plan to take follow up action.

Would Myrada expand into States in the Central, North eastern part? This has been debated before at the Board level, but it appears that Myrada does not intend to open out in these States. Myrada however will continue to train VOs and others from these States as it has been doing so far. In the past, Myrada did not focus on flying its flag all over but on promoting local VOs and sharing our experiences. If we decide to open offices in some of these States, we may be able to find donors from abroad who will be willing to invest in training of staff and establishment of infrastructure since they are concentrating on these areas. **However, the first step is to find some senior Myrada staff willing to volunteer to move to these areas. Any volunteers? The present context also has to be taken into consideration where Government's policy does not support funds from abroad to VOs. The major reason is that in some cases these funds are used to protest against projects/industries which according to Activists harm the environment and/or the health of people living in the surrounding areas where industries are located. But this is mainly undertaken by Activists who have a role to play but are different from the VOs who are Actionists who are mainly involved in promoting livelihood activities, education, health, watershed management in Bharat 2 areas and in promoting innovative strategies which are seldom funded by Government programs' also needs to recognise that funds from abroad are being received by political parties and not only by VOs; both could have donors living abroad who are Indians.**

What about those poor families that are left out in areas where Myrada is already working? We discovered this in Holalkere some years ago and the Team there decided to focus on those families which were left out of Myrada programs and SAGs. A report was published entitled "Including the Excluded. A Study of Vulnerable Groups in Chitradurga District" (Published in 2010), from which we learnt many lessons. Unfortunately, this initiative petered out after the Program officer left. If Myrada is to promote this initiative, the senior staff have to change their approach and learn to work outside a project framework. Presently the rigid project framework tends to close our eyes from those who are left out due to the constraints which arise from our model – this is not a problem since every model has constraints. The problem arises if we do not recognise that these problems exist. As I said earlier, many families are migrants and cannot form SAGs, which is the entry point of all Myrada projects. Many are landless and tend to fall outside watershed programs. **Our senior staff must be concerned about each and every poor family in the project area and make efforts to identify such families. Perhaps a target should be set for each staff member to identify five such families and ensure that the extra effort is made so that they are included. Any suggestions from the staff? Do we require a mini DPTP to help our senior staff interiorise this commitment to ensure that no family suffers from hard core poverty in Myrada project areas, then in the Taluq and finally in the District?**

What has taken the place of the focus of hard core/ extreme poverty in development discourse:

Reduction the rural agricultural livelihood base and Degradation of the environment. These two issues which are prominent in Bharat 2 areas are a major concern of Myrada since most of our projects deal with families in rural areas which have these features. Hence more information has been presented so that our discussion may have adequate supporting data. Let us consider each in more detail.

Reduction the rural livelihood base (RLB) relates in general to **the decreasing size of holdings** which results in unviable holdings, declining income and migration out of agriculture. It also refers to the lack of adequate livelihood opportunities due to several reasons which will be discussed in Part 2. Here we will restrict comments to reduction in size of holdings.

Analysts come up with one common feature which has a major impact on farmers' income and that is the size of holdings. The general conclusion is that if size of holdings is decreasing, the incomes from farm activities also will decrease. (Unless of course major investment is made in infrastructure and skills training to adopt high levels of technology to cultivate under controlled conditions). The recently released results of the Agricultural Census (2015-16) indicate that since the first agri census over 45 years ago, the number of farmers has more than doubled from 71 m in 1970-71 to 145 m in 2015-16. The average farm size has more than halved from 2.48 ha (1970-71) to 1.41 ha (95-96) to 1.08 ha (2015-16). The bulk of small farmers (less than 1 ha) are in UP, Bihar, WB, Odisha in the North and TN, AP (coastal) and Kerala in the South. Interestingly poverty also is high in these States; which shows the connection between land size and poverty. However, people in Kerala, TN and AP have found other livelihood occupations over the past 30-40 years, largely through migration to other parts of India and abroad which compensates to a large extent. Punjab with 3.6 ha and Haryana with 2.2 ha on average have the largest holdings; poverty is not evident in these States. Overall, there are **at least 100 million farming families with less than 1 ha**; it is evident that they have looked for other income sources in order to stay alive. A Survey (in UP) indicates that only 10% of farming families survive on pure agriculture.

There are millions of cases where an individual farmer has leased his/her land in the past 30-40 years and entered into several models of share cropping. This is called leasing out. The Govt came up with a program to consolidate land parcels of a single owner many years ago. What is now being promoted is leasing IN where one farmer leases plot surrounding his land or close by.

The suggestion from Government is to mobilise land aggregation through leasing. There are increasing reports that small holdings are being aggregated increasingly but on the basis of informal lease agreements. Aggregated land parcels of about 5 ha are emerging informally. I do not think that any attempts by Govt/ VOs/Myrada to integrate holdings through official leasing arrangements will succeed. But Myrada is in a strategic position to mobilise informal leasing IN especially in certain areas of the watershed. However, the problems of getting loans for activities on leased lands remains, except in some states like Andhra Pradesh which has provided an opening for loans to be provided for agriculture on leased lands. Myrada could mobilise loans for agriculture on leased lands from NBFC-MFIs (Sangamithra) if Banks are not able to lend. Myrada could also lobby Govt/RBI/Nabard to change policy allowing banks to extend loans for agriculture on leased lands.

B. Degradation of the environment: A major issue related to sustainable livelihoods that is now absorbing attention is the **Increasing degradation of the environment**. Issues related to soil erosion and leaching of soils, shallow and poor soils and excessive/unbalanced use of inorganic fertilisers; these issues together with irregular and unpredictable monsoons and scarce water resources poorly managed and inefficiently used are increasingly drawing the attention of a broad range of experts and practitioners. Myrada addresses these threats through an integrated soil and water management program which has proved successful over the years. **What more can be done? Perhaps a greater stress on organic agriculture and the balanced use of fertilisers? There are also some components related to the production base of an integrated watershed program to which our Projects have not given adequate stress like soil quality, efficient water use and agro ecology. They are identified below and added importance could be given to them.**

What would be Myrada's strategy to reverse degradation of the environment?

Which Project areas are most vulnerable? Let us first identify Districts where Myrada has programs where the rural livelihood base is most vulnerable. In the District of **Anantapur in AP** for example where Myrada has a program, **the lack of water** sources even for domestic use together with poor and erratic rainfall as well as **poor soils** (shallow and stony), make dryland agriculture and on farm operations highly vulnerable. Large numbers emigrate yearly during the summer. Of all Myrada program areas, **Anantapur is the most vulnerable**. Most of the District falls in Barat 2. Next to Anantapur come parts of **Kolar (those bordering on Kuppam especially) and Krishnagiri and Dharmapuri in TN and Challakere (ChitradurgaDt) in Karnataka**. In all these areas water resources are scarce, rainfall erratic and soils of poor quality. Next come the northern Districts of Karnataka where Myrada has programs like **Gulbarga, Bidar and Yadgir and in some Districts like Guntur and Prakasam in Andhra**. Though soils are comparatively better in these areas, erratic and low rainfall is the main cause of distress and undermines sustainability of livelihoods. In these areas underground water resources are scarce and, where available, at a depth that makes extraction expensive. If one were to summarise, one could say that water availability and use together with quality of soils are the major factors that undermine sustainable livelihoods (adequate food, shelter and health) in most of Myrada project areas particularly in the Districts of Anantapur, Guntur, Prakasam in AP, Kolar and Chitradurga (Challakere) in Karnataka, Dharmapuri and Krishnagiri in TN. **The Project budgets for improving the production base (soil quality and water) in these areas needs to be larger than those of projects in others Myrada project areas like Holalkere, Kollegal, (Karnataka) Erode, Aryapalyam, (T.N) where soils and rainfall are comparatively better though rainfall is erratic. The budget to improve the quantum and quality of soil has to be greater in projects situated in Anantapur, Kolar and Dharmapuri/Krishnagiri. Projects in these areas also have to include sizeable budgets for renovating and managing traditional water sources, constructing wiers (over and sub surface) and preserving/rejuvenating other sources of water.**

Myrada has focused on the sustainability of the RLB through participatory micro watershed management which includes surface water conservation, promotion of forestry and soil replenishment (through measures which reduce erosion as well as through application of tank silt) and cropping practices like crop rotation and intercropping). **What is new? What can we do in the future?**

Myrada can do much more in the following sub-sectors of increase water provision and management as well as to reduce soil erosion and improve soil quality:

Water provision/enhancement:

Micro watershed management – A micro watershed is a drainage system which covers an area of 500 has or so within which several initiatives related to soil and water can be introduced. This is a major on-going program of Myrada and helps to conserve water in situ which in turn lowers the risk of agriculture especially in areas where there are long gaps in the monsoons like the Deccan Plateau. Myrada played a major role in influencing Government strategy to include participation of people and building their institutions to manage watershed programs which Govt promoted. Unfortunately, this has now stopped. Govt is no longer providing funds for watershed programs. However, Myrada will continue with and even enhance this program on its own with support from Corporates and Nabard. **This change of donor support could give it space to give priority to the following sub-sectors within a watershed program since they will require an increase in budget lines for certain sectors**

depending on the project area. Govt. programs were not open to this flexibility. For example, a program in Anantapur will require greater investment in small weirs to conserve water as well as in improvement of soil quality through application of tank silk, humus and rotation of crops. This priority requiring a diversity in fund allocation depending on the geographical area has not been projected in our program budget which we submit to corporate donors. The following sub-sectors need to be given priority in different areas:

-construction of small weirs. This has been a major investment especially in dry areas like Anantapur and Kolar District where farmers use small weirs to provide water for livestock, to irrigate small patches of vegetables like tomatoes between Nov and March. Unfortunately, there are no CSR donors which include weirs in their watershed budgets. The largest watershed supporter NABARD also does not. All the weirs were supported by Donors from abroad like NOVIB, CIDA, Weltungerhilfe. Myrada could lobby CSR donors who are now supporting watershed programs to include weirs in their plan and budget.

Government Schemes to construct small weirs. Govt watershed management programs did include small water holding bodies but the weirs we are talking about are much larger and store water throughout the summer months. Often the best site for these weirs is not within the watershed area treated by the project; hence the need to look beyond project boundaries. However, since Govt has unfortunately put a stop to watershed programs, this issue does not arise for the present.

-sub surface dams: An innovative structure –called the sub surface dam was tried out in Kadiri (Anantapur) in several places in the bed of dry river, and proved to be very successful. It held up water seeping at the bottom of dry river beds (due to rains hundreds of miles upstream) and stored it below the surface for almost a kilometre upstream in some cases. This resulted in replenishment of shallow wells on either side of the dry river which are used by farmers for cash crops, like pan (betel) leaves which earn a good and sustained income. Once again, no CSR donor has supported this innovation though it reduces evaporation and is much cheaper than an over the surface weir. The fault is perhaps ours since we did not raise this matter with the donors. A visit to the sites in Kadiri may convince them of the impact of these sub surface dams. I understand that ITC staff have now decided to visit these sub surface dam sites in Kadiri after we informed them that such structures exist and have had an impact.

Govt Schemes to promote sub-surface dams: There are no Government sponsored programs that include the construction of sub surface dams that I know of.

-rejuvenation of traditional water sources (Kalyanis, dry open wells, old water conservation and irrigation systems, silted ponds, small village tanks/ponds). The practice of filling the open wells and kalyanis with debris in villages due to increasing demand for land and requirement to dump waste has resulted in the disappearance of hundreds of these wells/kalyanis; small ponds have also suffered the same fate; as a result, the water table has fallen.

In Chitradurga Myrada took up a small pilot initiative to clean open dry wells and dry Kalyanis by organising their cleaning thru shramdaan and then channelling roof water from nearby buildings directly into them; this pilot was successful. Not only did the kalyanis and open wells remain full after a few years but they also helped to recharge the surrounding wells. Rejuvenation of open wells which were dry helped to provide drinking water where ground water has excess fluoride. It is also low cost.

The effort to rejuvenate traditional water sources which are now dry has to be increased substantially. Myrada started this in Chitradurga over 18 years ago, but the interest has petered out as it is not included as a line item in watershed projects supported by Nabard (and even of Corporates). Since it is not

included in our regular watershed project framework, it is side-lined by our staff who do not have a holistic vision to revive traditional water sources in the rural areas.

CSR donors are increasingly becoming aware of the importance of rejuvenating traditional water sources. But a great effort is required by Myrada to ensure that projects supported under CSR include a budget line for this initiative. Myrada could also support similar initiatives triggered by Champions not only in the project area but in the District, especially in villages surrounding the project area. This has potential to become a District program. CSR donors also could consider a District program fully dedicated to rejuvenation of traditional water sources in the whole District. Will our staff be committed to this District approach?

Government schemes to rejuvenate traditional water sources: I am not aware of any regular Government program/scheme to rejuvenate and manage traditional water sources. Traditionally the Maharajas used to organise, fund and supervise the periodical desilting of lakes when they were considered as the water supply sources of villages. Today lakes are considered as dumping grounds for debris and a sewage pit into which all industrial and human waste can be channelled. Govt takes ad hoc decisions to protect certain tanks (keres) usually under pressure from citizens and the media. The burning Bellandur Lake is one example, though little has been done to stop sewage and factory discharge from entering the lake –once again due to lack of political will and yes –corruption. Jijani is now in a similar situation; due to factory discharge, people and animals are suffering and the rivers (Vrishabhavati , Arkavathi)and tanks(like Byrasandra) are polluted. The Media has picked this up but local people who are affected, need to take the initiative as Government’s response is lukewarm and short term. I discussed this problem with corporates which have large factories in Bidadi but they are more concerned about building toilets in Varanasi than in tackling a major problem in their surroundings. Hopefully some champions will emerge in this area. Can Myrada play a role?

The entry of Champions in rejuvenating traditional water bodies: In recent years, Champions have emerged in response to increasing awareness of the need to rejuvenate traditional water bodies. Most of the rejuvenation of tanks around Bangalore (South) has been done by the residents’ committees with the support of an occasional Government officer –in one case a Police inspector. Some Corporates are becoming aware of the need to preserve tanks. The Infosys Foundation has recently funded one tank. The Bhoruka Trust has taken up a few Kalyanis. But this is far from adequate; Can Myrada play a role here especially in rejuvenating polluted lakes located in Bengaluru Rural?

Champions have also emerged in our project areas. For example in Ballari , where the Clean Kottur campaign launched by NagarajBanjar a physical education instructor is making a mark. The DC has given him a bicycle with a loudspeaker which we use daily to mobilise people...to stop outdoors defecation, collect waste. Another initiative in Bellari called NammaBalaga launched by AncheKotresh removed about 30,000 tractor loads of silt from a lake with Government help. Its success has inspired residents of neighbouring villages to desilt 16 other lakes. Another group focuses on rejuvenating kalyanis. Unfortunately, one does not see a similar trigger effect in Myrada project areas; though ponds are desilted in the project areas it does not trigger a movement. It is also useful to point out that though there are several champions in Bellary District, our project Staff in Bellary have not found it useful to get in touch with them.

Water Use: Myrada could enhance its interventions in the following :

- take a more aggressive approach to organise movements against water guzzling crops like paddy and sugar cane especially in its program areas where water is a very scarce resource and promote SRI

system in paddy which reduces the quantity of water required to grow paddy. As regards banana cultivation insist that it should be under drip. The Gram Sabha needs to be brought into this initiative to persuade farmers to shift from water guzzling crops. This is not easy as the GS is often controlled by the large farmers who cultivate these crops. **However, Myrada can motivate young and educated youth in the area who can develop as champions to take up this issue and make it into a movement.**

- provide support (through mobilising loans and technology) for more efficient use of water through drip irrigation and other methods. For example, the GOK is providing large subsidies (over 80% for SCs STs) and Banks/ SHGs are lending the rest. However, the Banks have first to approve the loan; and only such loans are eligible for subsidies (not, loans from SHGs). But many farmers cannot avail of this loan/ subsidy since they do not have all the land papers and because of the transaction problems involved in getting the loan. Myrada could assist them to get the papers in order and the CMRCs could assist them in getting the loans. But this must be taken up as a specific and planned intervention. For example, Myrada could hire retired officers from revenue and related Govt departments who could put all the land papers together and prepare a loan application. They could be paid per case. But this must be budgeted for in the proposal...which in turn requires a survey during project preparation. My sense is that project proposals are prepared based on previous projects. No (or little) effort is being made to identify new demands from people and to incorporate them into the project. Similarly, our staff are not utilising the potential of various Govt schemes which are launched periodically. They need to assess which of these schemes can be availed of by our families and what are the obstacles our farmers are facing to access them. And then develop a strategy to remove these obstacles; finally, they need to include any costs in the project proposal. Other examples are related to schools and clinics (which do not find a place in our watershed proposals) but more about these sectors later. We can have a major objective in the project proposal like watershed management, but within it we also need to focus on other sectors in which the family is involved for its life and livelihood like education and health.

-Forestry –Social and farm Forestry to hold water, reduce soil erosion, provide fuel, fodder, fibre, fruit and compost– forestry plays a major role in agro ecology.

Forestry plays a major role in water and soil conservation and management. Trees and shrubs help to hold water and to release it slowly. But forestry which should be an integral part of watershed management (and closely integrated with agriculture in our tradition) is not taken seriously. It helps to hold water especially in the upper reaches, adds nitrogen to soils, reduces erosion and is useful as a source of compost.

-farm forestry can be promoted on parts of private land where soils are poor, on upper reaches of farm land as well as on bunds; the importance of trees (preferably traditional species) in holding water and releasing it slowly, reducing soil erosion and providing fuel, fodder, fibre, fertiliser and food – while also supporting rural handicrafts, providing compost and fodder must be stressed. Trees like casurina (sarvemara) and eucalyptus also provide a lump sum income every 8-10 years. These species been planted by farmers especially in the dry areas of Kolar district and on soils which cannot support agriculture. The criticism of eucalyptus pertains to the practice of planting it in forest areas after clearing the traditional species. This changes the whole ecology. Planting eucalyptus in dry areas on private land where the water table is over 500 feet is a good use of arid and poor soils. The only problem however is that the leaves do not become compost and add to the Ph factor; as a result, nothing grows under the trees. But in any case, the soils are so poor and rainfall so limited that undergrowth is almost nil except for parthenium. Farmers in Kolar earn a lumpsum from harvesting eucalyptus every 8-10years and a

regular income by selling the branches which are used as stakes in vegetable fields esp. tomato; white ants do not attack these stakes...which cost Rs 3-5 apiece.

- **social forestry** can be promoted on common lands in a micro watershed. Myrada implemented a major forestry program in the late 80s and 90s. It consisted of planting as well as regeneration of root stock on hills which were bunded and protected to stop free grazing; this which was successful in dry areas like Kadiri where the regeneration increased considerably after Myrada encouraged the use of bio gas and then gas cylinders. The sight of hundreds of small wood piles along roadsides with sellers who had cut shrubs and shoots from nearby hills and forests has disappeared along the road leading to kolar and even up to Jalarpet; the increasing greenery on the hills is evidence that lopping has ceased largely thanks to easy access to alternate fuel.

Govt. programs supporting forestry: The major bilateral and World Bank projects supporting agro and social forestry have all been wound up and Government programs have not filled their place. It is only where local bodies have continued and expanded this initiative that one sees large forest cover –a good example is the Tirumala Hills which started out as a Social Forestry program but was continued with funds from the Mandir as priority was given by the management to afforestation of the barren hills. Today, among Govt. agencies, Nabard is the only supporter of watershed management but, even in Nabards budget, hardly 15% of the total budget is devoted to forestry which is inadequate. NREGA funds can be used for social and farm forestry provided the Gram Sabhas take a lead and give this priority as I do not think the Gram Panchayat will do so on its own.

Champions in this sector are few small and sporadic efforts are made to plant trees in school compounds, protected parks etc. But efforts to plant on common lands are few mainly due to their over use by various groups –often from outside the village -as well as due to the inability to protect the saplings. Hence Myrada has to play a lead role to play in this area perhaps the Gram Sabhas can be motivated to take the lead with the CMRCs backing them up by providing saplings which the CMRCs can maintain either in their compounds (if they have a compound) or on the Project campus. In fact, every Grand Sabha should have a nursery stocked with sapling of people's choice –not what is supplied by the forest dept. The schools could play a major role here as they have a compound and the children could be taught to maintain a nursery.

What can Myrada do? There is scope for farm forestry mainly in plots which are lying vacant as the owners have migrated. The examples of Gulbarga could provide a lead. In the late 80s and 90s several watershed management associations (WMAs) entered into contracts with farmers who had left their lands fallow since they had migrated. The WMA agreed to fence their land, which was overgrazed and devoid of vegetation, with boulders; the regenerated vegetation (as well as fodder which was planted) would be used to provide fodder to the landless who had purchased milch animals from loans thru SAGs, and the lopping would be used for firewood; the trees would be the property of the landowner who could sell the wood when ready. This approach increased the biomass in the micro watershed considerably which in turn reduced soil erosion and held water in situ.

Nurseries: Government programs to promote nurseries which was part of major social and farm forestry programs sponsored by international institutions has declined considerably. The Forest Dept does have nurseries but they are able to provide VOs a few hundred saplings in most cases. This has to be supported by efforts from people. Every CMRC can maintain a nursery and sell the saplings. The nursery would be stocked only after the CMRC assesses the demand from people (species and number) and their willingness to pay for the sapling. There are in many areas retired forest staff who would be willing to provide free technical support. The initial costs of setting up the nursery can be built into the

watershed project that is presented to a donor. Subsequent nurseries can be established with the earnings from the first nursery. The Gram Sabha can be mobilised to take up social forestry on degraded public lands by converting them into parks etc.

Soil Management: Improve Soil Quality:

Parallel focus needs to be on soil quality in all the project areas, but particularly in Anantapur, Kolar, Challakere, Dharmapuri and Krishnagiri on a continuous basis and not only while a particular project is being implemented. The KVK and the Green College are taking these initiatives but this has to spread to all the Projects in a systematic manner. Projects which have the capacity to do much more but do not seem to take the lead /initiative to improve soil quality are Chitradurga, Kamasamadram, Dharmapuri, Kadiri, Prakasam and Guntur are new and need to give this priority.

What should Myrada do? Increase organic inputs: People need to be made aware of and helped to adopt organic practices which will improve soil quality on a continuous basis. This includes measures like silt application, mulching, intercropping with nitrogen fixating plants, rotation of crops, green manure (lab lab grows well in residual moisture), Vermi-compost, compost pits on farms where leaves/branches of cassia samia grown on bunds were yearly cut; the leaves were deposited with soil and cow dung in a pit and the wood used as fuel....as was the practice years ago in Kolar under a project... but discontinued after the project ended. The role of forestry in improving soil quality by reducing erosion, providing humus etc has been described above under water management and use. Together with these measures' efforts must be made to reduce inorganic fertilisers/pesticides/fungicides and introduce organic alternatives; this package is required to preserve soil health. Humus in particular should be added to hold moisture and nurture soil organisms. The Myrada KVK has already taken initiatives to produce some of these organic inputs but they need to spread and be marketed more aggressively in all our projects.

Reintroduce the practice of keeping cattle in every home not necessarily only for milk but mainly for dung etc. to improve the quality of the soil. The number of cattle is decreasing in our villages for various reasons. Only the top milk producing cows are being maintained; the rest are culled. As a result, the availability of cow dung/urine for agriculture had declined. The focus all these years has been on milk production resulting in local breed cows being discarded since they produce less milk than cross breeds. In the north they have been replaced by buffaloes; but not in the south especially where cow milk is popular and water sources required for healthy buffaloes are scarce. **Myrada needs to launch a major program to reintroduce traditional animals which require less water and fodder and are not prone to diseases. "Every house a cow of local breed" should be our motto**

Policy changes required: The APEDA (Agricultural and Processed Food products Export Development Authority) reports that the country produced in 2017-18 about 1.7 million tonnes of certified organic products. The NPOP (national program for organic production) is surprisingly set up under the Ministry of Commerce rather than Agriculture. On enquiry I discovered that the focus on the program is export, hence it comes under the Min. of Commerce. But consumers in India are increasingly becoming interested inorganic products. Hence the need to focus on the internal market and to integrate organic farming with agriculture. It is also time for a policy change that reduces the use of chemical fertilisers. Sikkim has shown that this is possible. It began by decreasing its subsidy on chemical fertilisers by 10% every year and banned them completely in 2014. The sale of chemical fertilisers and use is an offence punishable with imprisonment up to 3 months or a fine up to Rs 1 lac or both. However, Sikkim started from a very low base of fertiliser use and reports on the success of this program are also mixed. One problem Myrada/MYKAPS faced in introducing organic cotton in HD Hote must also be mentioned here as it relates to the need for innovative incentives for the transition to inorganic systems. The problem related to the reduction in output during the transition period –about 3-5 years. The farmers have to be compensated for this reduction. In some countries like the US there is provision for a transition certificate which adds value to the produce.

Myrada should increase the budget in all watershed projects for improving soil quality through inputs and new technologies especially in Kadiri (Anantapur) Challakere (Chitradurga), Kamasamadram (Kolar) and in Dharmapuri/Krishnagiri Districts where soils are poor.

What are the Government Programs related to soil and water enhancement and use from which Myrada can derive support -?

Soil and water enhancement and use: Since the late 1980- up to 2005—micro watershed management in participation with people was a major program promoted by the Karnataka Govt, Govt of India and several Multilateral and Bilateral Organisations. I have written about this in my Book “50 Years of learning “Part 3. Since then, programs supporting participative watershed management have declined considerably as VOs and people were progressively excluded. The difference between Sujala 1 and Sujala 3 is clear evidence of this shift. The general trend of GOI is to exclude VOs. So we cannot expect much support from Govt. In fact, the latest news is that the GOI has stopped all Watershed programs. The only Govt. organisation still supporting participative watershed management is Nabard. Myrada has a major program with Nabard in watershed management covering several Myrada projects in all three States.

NREGA could be a source of financial support particularly for building water conservation structures, rejuvenating traditional water sources and excavating silt from tanks (which farmers then can cart to their fields). Minor watershed structures could be constructed. It may not be possible to construct weirs under NREGA (unless provision for materials is enhanced above 40% or the GP raises resources for materials from other sources –as in Kerala); this initiative will have to be worked out at the District level and particularly with the Zilla and Gram panchayats. Since preservation of water and soil in situ is of major importance to the members of the Gram Sabha, these institutions could be motivated by Myrada and the CMRCs to give n priority to soil and water management programs under NREGA.

As far as water management/use is concerned, there are schemes of the State Govt related to water use like drip irrigation which the GOK is heavily subsidising (almost 80% for some categories). Tamil Nadu and Andhra also have similar schemes. Myrada and the CMRCs (and SAG) can make a much greater and sustained effort to help dryland farmers with a limited water source to utilise these subsidies. One common problem faces by the small and marginal farmers is the lack of adequate land documents required for the loan from the Bank which is linked with the subsidy. Several farmers in Kolar for instance who do not have these papers borrow the margin money from the SAG or from family members and take a Bank Loan; but in this case they cannot avail of the subsidy. As said earlier, Myrada could assist these farmers by hiring retired revenue Officials or bankers to help with collecting documents required for the loan. Payment for services could be made on an ad hoc basis and shared by the beneficiary/client or made-up front by Myrada as an interest free loan (from a revolving fund) and recovered from the beneficiary over a few years.

There may be other schemes in the three southern States of which I am not aware. Please add.

What are the CSR Program related to soil and water enhancement from which Myrada can derive support? Private donors have come forward but some like HUL focus on how much water is collected and can be measured (so that it could be balanced against their commercial use of water), while Myrada focuses on how water is managed to lower the stress on food crops resulting from scarce water resources and long gaps in the monsoon. Azim Premji Initiative has been supporting Watershed programs with Myrada’s objective for over 10 years. Recently ITC has co-funded watershed programs in collaboration with Nabard and implemented by Myrada. I expect growth in support from the Private

Sector (CSR) but their staff need to be oriented to the participative and integrated model of watershed management the components of which have been described above. Private corporate donors claim that “their customer is their god” but fail to appreciate that people who are expected to benefit from a program are also customers; they need to participate effectively at every stage of the process –from planning to implementation and then to sustain the impact.

This new partnership with Corporate also opens the space for Myrada to present budgets which reflect the diversity of the project areas in Myrada which has also been described earlier. To repeat - we have to change the standardised approach and budget. This was difficult when Govt was involved but may be easier in projects supported by Corporates, provided Myrada staff get out of the comfort zone where new project proposals follow the same model as previous ones without expanding to incorporate new initiative from local Champions and new programs from Government. Besides the concept of “” integrated “here refers not only to a watershed strategy but also to other sectors like education, public village sanitation and health which must be drawn into a watershed program. Myrada’s experience shows that innovative water management measures were all supported by private donors in the past mainly from abroad.

Champions in this sector of water management and soil enhancement: There is an increasing number of farmers both men and women who have taken initiatives to improve the quality of soil mainly through reduction of inorganic fertilisers/pesticides/fungicides and adoption of various methods related to controlled systems during growth, tillage, inorganic substitutes. They have also adopted measures to increase the efficiency in water use. But though I have repeatedly requested staff to visit these champions they do not seem to be interested. When asked to visit these initiatives, our staff often respond by saying that they are all big farmers or those who have left city jobs and taken up farming. But the outcome of such a visit is not to replicate what they are doing but to understand why they are taking this step and above all how we can re-engineer these systems to cope with the needs of our small and marginal farmers. We need to take a small team of committed professionals and local farmers who have been innovative with us to visit these champions and then to discuss how to adapt what we have learnt. Besides, our staff could network with these champions to spread the message as people are more willing to listen and learn from other farmers experiences than from an organisation. But it requires our staff to be committed to this cause and to work outside a project framework.

Change required in Myrada staff: The desired changes in Myrada staff have been described in each sector and need not be repeated here. However, a few over-all comments/suggestions are in place. Myrada staff need to interiorise these practices and ensure that they are embedded in people’s institutions. While the awareness of the impact of micro watershed management practices has been interiorised in various degrees, which is evident where people contribute to the cost of construction and maintain watershed structures. However, the awareness of the importance of soil health (even within a watershed program) has not yet increased sufficiently neither has the investment in this sector increased as required. In fact, even where this awareness existed as part of traditional practices (like maintenance of pits just outside the village for collecting cow dung, animal droppings and bio waste), it has decreased as the number of cattle has diminished and hence the traditional practice of applying cow dung to the field is dying out. The sharp decrease in the number of compost pits just outside villages where cow dung and other waste was deposited is evidence of this decline. Organic manure locally produced in traditional ways has decreased mainly because the number of cows/animals has declined. This has resulted in increasing use of inorganic manure which gives short term gains. The decrease of cow dung has to be compensated by alternatives if our agriculture is to be sustainable. But organic manure is in short supply and not easily accessible. **Therefore, Myrada should also promote the practice of maintaining one or two local breed cows by every family. When our staff visit farmers’ fields, do**

they enquire about the quality of the soil? Do they ask for the reports of soil tests and check whether these tests have been done regularly and whether follow up action regarding inputs to improve soil health has been taken? I have never seen or heard any of our staff ask these questions. We are accustomed to ask the SAGs for their books of accounts, etc why not ask the farmer for a report on the quality of the soil in his/her fields?

As regards water conservation, our watershed projects have focused on water retention in situ to reduce the stress on agriculture, but done little to improve water management and efficient use. There are several opportunities which we have not exploited. For example, have we made efforts to help people to access Govt. programs like drip irrigation to promote efficient water use? Left to themselves only those farmers who have their papers in order and the contacts and resources required will access the loans/grants for drip irrigation. What about the others.? Could we not hire retired Govt staff to help with the documents and paper requirements? Myrada could mobilise the SAGs and CMRCs to dissuade people from cultivating water guzzling crops in areas where underground water is scarce like Chitradurga, Kolar, Dharmapuri and Anantapur/Guntur and Prakasam. One sees small paddy fields in these areas where the farmer has been able to tap underground water; but this will not last for more than a few years. Instead Myrada can introduce the technology of SRI which uses much less water.

The importance of water and soil has to be discussed repeatedly first at the Project Team Meetings (because I do not think this is adequately appreciated by the staff), as well as in meetings of SAGs and watershed Committees and above all in the Gram Sabha where the SAGs and Watershed committees should raise these issues. **Social/economic sanctions and incentives can be introduced to restrict cultivation of water guzzling crops (rice, bananas) and to promote organic and integrated cultivation (agro ecology).**

The question Myrada staff need to ask themselves is: Why, in spite of seeing the impact in Chitradurga by the pilot project to rejuvenate traditional water sources, this program as well as other similar innovations like those in Gulbarga, did not spread in the District and in other Myrada projects? Even its spread within the project area was limited.

Could our Staff (at least the senior ones) actively promote these initiatives and lead the way? This requires that our senior staff have passion and to lead the way—to become “champions”. Small efforts on the project campus will help to show our commitment—like small water bodies, substitutes for green fodder (Trees, water fern-azzola, brewery waste, pods of prosopisjuliflora/Bellarjalli and even the leaves for goats etc) a small forest of traditional species, vermi compost pits and perhaps a small flock of goats who are not free range but stabled. It brings alive our campuses. But today in several project the seniors are not living on the campus. Hence there is no ownership. Many Myrada campuses are no longer throbbing with new ideas and enthusiasm. The staff implement the watershed projects mechanically, without asking WHY? They are locked into a short-term project and without a long-term vision and the commitment required to trigger and maintain change which spreads which a Champion has.

Myrada has the grassroots institutions –the SAGs, Watershed committees which can take up these initiatives provided they interiorise the need and work out strategies to implement them. The project can only be a trigger. The impact must be assessed not only in each project intervention but more importantly in its triggering effect to inspire and mobilise action in an ever-widening circle... Networking with Champions in the District is a useful platform for this approach. Can our staff manage to relate with these Champions in a creative and supportive manner without being a threat to them in any way.?

Several lakes were desilted and dams and overflow channels repaired during a World Bank Project in some of the Myrada project areas like Kolar under Sujala 1. But this seems to have petered out after the project was over. Can Myrada mobilise the Gram Sabhas to at least maintain the village tanks which come under them? What about public sanitation? Open drains in villages are blocked and often end up in open cess pools? Village drains must also be planned in the context of a watershed's topography. Hence this sector should be included in watershed management. Houses have grown larger, consumption has increased with rising incomes, and so has waste. But the size of the village drains remains the same and they are often blocked by new constructions or diverted; further the number of people hired to clean them has decreased. (I found that in one area there was only one "sweeper" for four villages. Is mechanisation the answer? But this would require a standard size for drains). Can our staff at least raise these issues with the Gram Sabha even in informal conversations? Once again this requires a strong focus on mobilisation and awareness. Much of the work can be done thru shramdaan (which seems to have disappeared); funds under NREGA can be used. All this requires a certain priority to be given by the GS to rejuvenation of traditional water sources and public sanitation in the NREGA plan. Briefly I think that project grants can no longer be the beginning and end of such initiatives. People can and must take ownership of such water bodies if they are to survive and in cases relating to natural resources and sanitation, the Gram Sabha must take the lead role.

Myrada has often related to the Gram Panchayat, but has not yet taken the Gram Sabha seriously. This will be discussed later; suffice it to say that the Gram Sabha which is a participative body (all members participate) is closer to a civil society institution than a Gram Panchayat which is a representative body. The GS should function more like an SHG for it to perform its role as a civil society institution. But more on this later when the paper deals with decentralisation.

To summarise, the present practice to work only within the framework of projects (this *refers to Myrada project staff focusing only on the line items listed in the project, working only within the project area and the project budget and within office hours and the time frame of the project, and to stop an initiative after the project funding is over*) must change. This must be replaced by a strategy to mobilise people and civil society institutions to initiate a movement (largely self-supporting) led by volunteers from the people's institutions and champions from the area who can also influence the GS and GPs to maintain the rejuvenated water bodies, manage water use, improve village sanitation and enhance the soil in a sustainable manner. The Project initiatives must be used as a trigger for interventions in a wider circle and to lay the foundation for sustainable impact and the fingers which pull this trigger belong to the staff who believe in change and show this belief in their personal life and action.

This paper tries to help the staff to understand the reasons for the changes suggested. Unless they do so, they will tend to implement orders but will not interiorise the reasons for taking these initiatives –they will not be self-driven.

Part 2. DIVERSIFICATION OF THE RURAL LIVELIHOOD BASE IN ORDER TO DOUBLE FARMERS INCOME BY 2022

Myrada's strategy has been to diversify the rural livelihood base both to reduce risk in one particular activity as well as to increase incomes through several income generating activities which the family finds manageable. This approach promoted livelihood activities for all the members of the family and not just the farmer. The family has several occupations quite similar to an urban family where both husband and wife are employed. This discovery of the trend towards diversity arose from an analysis of the loans given to SAG members; this showed a trend or a shift towards loans for a variety of activities after 2-3 years of membership in a SAG, which were taken up by several members of the farmer family; traditional activities were expanded where there was scope and labour available and non-traditional activities were taken up by the younger generation who wanted to move out of agriculture. In other words, it was the farmer family that adopted a strategy of diversification to increase its income since it realised that there was a limitation to growth in agricultural income (given the technology and land available); they also had to cope with the younger generation who opted for other livelihood activities.

In 2016 when the PM vowed to double farmers income by 2022, no one knew the exact income of farmers. The assumption here, I presume, was to double income from agriculture only. Till then the only reference point was the 2012-13 NSSO report on income of agri households which pegged the average household income at Rs 6,426 per month. Of late several surveys have emerged. Unfortunately some like the NitiAyog survey leave out forestry/horticulture as a source and end up with negative figures for Himachal, Kerala and Uttarakhand where horticulture is a major income earner; some adjust for inflation while others do not (*Inflation adjusted income of farmers was stagnant between 2011-12 and 2015-16, growing at just 0.44% annually according to a paper by Dr.Himanshu, associate professor JNU*). In an interview Pushpendra Singh President of Kisan Sakhti Sangh quotes an OECD Report which says that because of Government policies between 2000 and 2016, farmers have lost 14% on average of their income. It is an implicit tax on the farmers. We actually want the Govt. monkey off our backs" he adds.

This paper attempts to present several surveys and opinions/analyses to help discussion in Myrada, in order to arrive at a balanced picture of the situation which can guide Myrada's strategy for the future. Which category of farmers to target and how? We also have to address the problems of the landless.

This paper contains suggestions for the future which are only a trigger for further discussion and additions. More importantly it also describes **why** –the reasons for-- these suggestions. It is important for the staff to understand the deeper reasons for these suggestions since this will help to interiorise the strategy for change where required.

To arrive at this balanced picture, let us take a look at the i. progress of farmer income in the past, which will help us to assess whether projections of growth in the future are credible, ii. the present Govt's plans to double farming income and iii. the view of some experts on these plans and data related to the implementation and impact (intended and unintended) of these plans as on Nov 2018.

i. Progress of farmers income in the past: Analysts come up with one common feature which has a major impact on farmers' income and that is **the** size of holdings. The general conclusion is that if the size of holdings is decreasing, the incomes from farm activities also will decrease. The recently released results of the Agricultural Census (2015-16) indicate that since the first agri census over 45 years ago, the number of farmers has more than doubled from 71 m in 1970-71 to 145 m in 2015-16. The average farm size has more than halved from 2.48 ha (1970-71) to 1.41 ha (95-96) to 1.08 ha (2015-16). The

bulk of small farmers (less than 1 ha) are in UP, Bihar, WB, Odisha in the North and TN, AP and Kerala in the South. **Interestingly poverty also is high in most of these States; which shows the connection between land size and poverty.** However, there are exceptions: people in Kerala, TN and AP may have small size holdings, but they have found other livelihood occupations largely through migration to other parts of India and abroad which compensates to a large extent. Punjab with 3.6 ha and Haryana with 2.2 ha on average have the largest holdings, supported by irrigation; poverty is not evident in these States. Overall, there are **at least 100 million farming families with less than 1 ha**; it is evident that they have looked for other income sources in order to stay alive. A Survey (in UP) indicates that only 10% of farming families survive on pure agriculture. The general conclusion therefore is that if the size of land holdings decreased so did farmers income. But let us dig a bit further.

Has income of all farmers decreased? According to 2015-2016 NSSO Census data collected between 2003 and 2013, incomes did increase for all groups, but grew the least for marginal farmers. The only group that doubled its farm income was the farmers with holdings above 10 ha. For those with holdings below 1 ha the increase was less than 38%, from 1-2 ha it was 52%, from 2-4 it was 59 %, from 4-10 it was 85% and above 10 ha the increase was 102%. This shows that given existing production and support (technology, infrastructure, etc) the chances of doubling income of farmers below 10 ha by 2022 are slim. Major innovations are required in extent of land ownership, productivity especially in dryland areas, diversification, value addition and marketing together with a reduction of people depending on farming.

ii. Government 's strategy to double farmers income in the future:

The NitiAyog Member Ramesh Chand says: “The target of doubling incomes uses 2015-016 as a base year. Since then, growth has been close to 4% per year. If this growth rate continues for seven years it will contribute one third to doubling growth. The other third would come from increase in terms of trade for agriculture. The final third would come from factors like reduction in number of cultivators – so that the cake is shared among less people. We expect the number of cultivators to reduce by 10% in next seven years.”

This reduction in the number of cultivators is expected to take place by several measures both formal and informal. One informal development mentioned is the increasing number of “lease in” arrangements where one larger farmer leases in several plots in his neighbourhood. This is different from the “leasing out” practice where one farmer leases out his land and migrates. It is also different from land consolidation where the small parcels of land belonging to one owner were consolidated in some areas under land reforms.

Note: This growth rate of 4% is challenged by others who limit it to 2.5% per annum; this is confirmed even by data from Nabard's survey which shows that Income growth in Maharashtra farming households is almost stagnant (0.7%), and in States with the highest growth like Punjab, it is 1.2%, in Haryana the growth rate is 1.6%, Karnataka 2%, Gujarat 2.2%. Nowhere has the growth touched 4%.

Several experts like Ashok Gulati former Chairman CACP (Commission for Agricultural costs and Prices) points out that over-all agri growth has been just 2.5% per annum (not 4 % as NitiAyog claims) during the past four years and it would require at least 13% growth in real incomes in the remaining years to double incomes by 2022. He says that there is an inverse relationship between farm incomes and production. Prices and incomes tend to fall with higher production and vice versa. He says that a magic wand will be required to double farm income by 2022 or even 2025.

Given this data and analysis, it is clear that Govt will have to take major decisions (and ensure that they are implemented) if farmers income is to double by 2022. Some of the steps initiated (but not yet implemented or implemented partially because of several reasons) are the following:

Govt is relying mainly on A. schemes related to increase in minimum support prices of products; B. Direct benefits and 3. setting up new marketing structures.

A. Govt. schemes related to minimum price support of products and direct benefits.

-Minimum Support Price (MSP): Govt plans to provide MSP for 23 crops – for Kharif crops like paddy, jowar, maize, tur, bajra, moong, urad, soyabean, groundnut and cotton and in rabi for wheat and mustard etc. The present Govt's election manifesto (2014) promised a return of 50% above costs. Only about 30% of wheat and paddy is procured mainly in Punjab, Haryana, AP, Chattisgarh, MP; what about the rest? Many farmers are forced to sell part of their produce in the open market, often at prices below MSP. It is purchased by traders. How does one assess the income increase? Further the majority of small and marginal farmers, who make up about 80% of farmers, have no surplus of cereals (which are the main crops procured) or if they do, they sell it to private traders since they often have an obligation to them and they need money quickly.

Problems of MSP: Many experts point out that MSP distorts crop choices. For example, MSP has resulted in Maharashtra bringing large areas under sugarcane while water is in short supply. It also distorts prices. The MSP of non-Basmati rice is around Rs 18 per kg, but the international price is about Rs 12. Hence India cannot export unless Govt subsidises. By guaranteeing 50% return on all crops, Govt encourages production without any regard to demand. In situations of surplus production, prices fall. MSP is restricted to commodities purchased through the APMC which itself causes problems to the farmers due to lack of transparency. Maharashtra Govt just amended the draconian APMC Act (August 2018) which forces farmers to sell their produce to a particular APMC. Now farmers can sell to any APMC or recognised mandi in the state and not necessarily to the one to which they are registered members. But the bad news is that since not all the produce is procured, private traders play a major role. But the amendment makes the traders responsible if they buy at rates below MSP which often happens. They are liable for a one-year jail term. The trader will not buy at MSP rates in this situation and the crop will remain unsold. This will deepen the agrarian crisis. (In December 2018 reports were received that the Traders, Commission Agents and Labour went on strike against this amendment allowing farmers to trade at any Mandi of their choice). To make matters worse Maharashtra proposes a new layer of bureaucracy to grant approvals to farmers who wish to raise "water intensive" crops...another name for sugarcane. But since most of the mills are owned by politicians, this will go nowhere. And lead to more corruption. Further, the major share of crops even wheat and rice are still not covered under MSP. The Govt's promise is for prices not quantity. Facts are that apart from paddy, wheat and sugarcane which are backed up by effective procurement systems though only in a few states and not for the total crop produced (in spite of increased procurement in 2017-18, Govt. procured only 18% of production)—the support for other 20 crops in terms of infrastructure for procurement and storage is lacking even though agri output has increasingly shifted away from cereals to pulses and other cash crops. The lack of support for other crops has resulted in a fall in income as well as uncertainty among farmers regarding how much area to sow. In case of sugar where procurement is done by private mills, populist hikes in cane pricing has put mills in distress as sugar prices are at a three-year low.

-Price Compensation Scheme or Price Deficiency Payment Scheme: A Pilot scheme is in operation called Bhavantar Bhugtan Yojana for 8 oilseed crops in MP and for four vegetable crops in Haryana. This is a modification of the MSP scheme. Under the Bhugtan Yojana scheme, the Govt provides from its resource the difference between the MSP and the market price.

Problems: This scheme will work only where farmers sell through formal channels regulated by APMC. However, the majority deal with private traders. A Major effort to put the building blocks in place is required, but this takes 2-3 years for new crops brought under MSP like pulses, or in crops where MSP is not done yearly but sporadically. All farmers need to be registered, they need a bank account and Aadhaar number. For crops so far not covered under MSP, greater preparation is needed to estimate the cost of cultivation—this will take time and good management of the last mile. Besides collusion between Traders to keep the gap as large as possible between market price and MSP so that the Govt is forced to pay a larger amount (which I presume is shared between traders and producers) is spreading in MP according to reports.

-Gov. schemes related to Direct Benefits: The Rythu Bandhu Scheme of Telangana. Under this scheme the Govt gives a grant of Rs 4000/ per acre (or Rs 10,000 per ha) for every cropping season. This is easier to manage; it does not distort prices; and has the support of many experts

Problems: This scheme does not cover tenant farmers in Telegana; it should be extended to all cultivators (whether owners or tenants). Secondly only S & M farmers should get Rs 10,000/- per ha; the direct benefit for larger farmers should be progressively reduced; this would make the scheme more equitable and reduce the amount required. Simultaneously subsidies for fertiliser and power should be reduced.

Given that the gross cropped area in the country is about 200 million has, the total cost of extending this scheme country wide is about Rs 2 trillion. In comparison it is estimated that a national farm loan waiver will cost the exchequer about Rs 4 trillion if implemented without any conditions and in one go which is not the case in most States where it is extended over 3-5 years.

Odisha has recently come up with a similar scheme called KALIA (Krushak Assistance for Livelihood and Income Assistance). It provides a cash grant of Rs 10,000 per acre for Small and Marginal Farmers. Large farmers are excluded. Tenants and sharecroppers are included as the scheme provides benefits to the cultivator. In addition, landless and fishermen families will get Rs12,000 per year. This scheme tries to remove the deficiencies of the Telegana one. But Telegana has the resources – Hyderabad provides them; it is done a good job with updating land records and tax collection has increased. Odisha is unfortunately not in the same position.

A similar scheme is in preparation in Jharkhand. Triupura has offered Rs a lakh to farmers who give up jhum (shifting) cultivation.

This direct transfer scheme seems to have gained wide support among political parties as well as experts (in comparison with MSP and Price compensation). The reasons are as follows:

-Political parties are determined to provide benefits to the farmers; this direct benefit scheme is perhaps the least disruptive as it does not distort patterns of production and marketing. Secondly because farmers are fed up of all the schemes which are implemented through a whole bureaucratic mechanism –this takes time and the farmer has several obstacles to overcome to access these schemes, including corruption; direct benefits are therefore appealing and welcome (there are 950 central schemes-an implementation nightmare) and finally I think that this scheme may open the window to reduce subsidies for fertilisers in the long run if it is handled constructively.

Government initiatives in Marketing to ensure that farmers get better prices (shift the Terms of trade in favour of the farmer).

All Governments in India try to control costs to customers since they largely constitute the middle class which is vocal and for some parties their major political base. One strategy adopted by Govt. to enable farmers to get a better price is to reduce the number of intermediaries between the farmer and the ultimate buyer and to make this transaction as transparent as possible. In April 2016 GOI launched eNAM (eNational Agricultural Market) to facilitate on line trade to give more choice to farmers and buyers by facilitating price discovery and competition as well as enhancing linkages between surplus and deficit units. 517 Mandis across 15 States/UTs are linked on eNAM as on March 12, 2018. Then came a revamped crop insurance scheme in Kharif season of 2016 which promised reduced premiums and higher coverage of risk. In April 2017 GOI rolled out the new Agricultural Marketing Act and urged states to make wholesale markets more competitive and transparent. The e-Negotiable Warehouse Receipts (e-NRWs) has also been launched – but a large number of Warehouses are not registered (more later). In May 2018 Govt finalised a Model Contract Farming Act to integrate farmers with bulk purchasers and agro industries. In the budget of 2018, it was announced that MSP will be set so that farmers will get 50% returns over the cost of production and a new scheme was rolled out called Operation Green TOP to set up value chains for the most commonly consumed horticulture products – Tomatoes, Onions and Potatoes. To ensure that farmers receive the promised MSP for oil seeds and pulses a scheme called PM-AASHA was launched in September 2018 which involves a mix of direct procurement, reimbursement of losses to farmers when they sell at prices lower than MSP and encouragement of private participation in MSP based procurement.

But the results have not been very encouraging: As many experts point out, many of these schemes will take at least 2-3 years to be implemented, and some may not achieve the objective due to conflict of

interests between those who control the traditional way of operating in the APMCs who are largely supported by individual politicians and the efforts of Govt. to change the system. Data shows that the wholesale prices in the mandis of MP and Rajasthan of harvested Kharif crops (2018 Oct) are much lower than MSP rates which were raised in July to ensure 50% returns over cost backed by the new procurement mechanism PM AASHA. For example, moong (green gram) soya bean, pulses, urad (black gram) were way below MSP prices. In Oct 2018 for instance the selling price of nine crops including pulses and cereals was 20%-30% below MSP. If it was about 5% below MSP, it could still be claimed that MSP implementation was effective. Two States –Madhya Pradesh and Chattisgarh- have managed to improve the management of MSP schemes but only for wheat and rice.

Ashok Gulati says that it requires at least 2-3 years to put a system of procurement in place. He adds that Govt does not have the money to procure all 23 items which it promised to support. He also points out that MSP has to be dovetailed with trade policy. We had a bumper crop of pulses last year, yet we are still importing pulses. Thus, it is not just the last mile that is missing, it is the first mile in the implementation strategy which is lacking since bureaucrats in Delhi make these decisions. Further since the major exchange of agri commodities is transacted in the private or informal sector where cash and private traders reign, there is no way that the Government can control the entire system through a bureaucratic approach as it attempts to do. There is a growing opinion even in Govt., that price stabilisation initiative must be decentralised since there is so much diversity in the country. This is perhaps a better approach than what functions at present. But Govt still wants to be in control. Politics also plays a major role. For example, unless the major pulses producing States like Maharashtra, MP, AP, Karnataka and Rajasthan co-operate in price stabilisation measures, they will not work. The problem is that these States are governed by different political parties and vested interests in them will lobby for the best bargain—this makes decentralisation under Government control difficult. Several politicians for example indulge in hoarding at the time of harvest – a good example is the hoarding of onions in Maharashtra where over 25% of the crop was captured by politicians a year or two ago. This stock has now been dumped on Karnataka at the same time that exports are banned. As a result, the locally produced onions cannot compete because they have a higher moisture content, since in South Karnataka onions are grown under irrigation, whereas in Maharashtra it is a dry crop and has less moisture. Besides Maharashtra onions are larger. As a result, onions from Maharashtra in the market today (Nov 23, 2018) are selling at Rs 10 a kg much below the prices of Karnataka onions.

What the country needs are champions in charge of the Agriculture Ministries at central and State levels who aggressively promote agro marketing reforms. Just one circular relating to APMC restructuring will not suffice. These agri market reforms could follow the example /model that GST has provided. These reforms also need to be supported by major investments in building institutions, providing technology and skills required to aggregate, add value and market agri commodities. We did this with milk thanks to major support from Bilateral and Multilateral donors. Why cannot we do it for agri commodities with our own resources which the Government claims to have.?

Warehousing is an option which has the potential to directly link farmers with markets. Since it is clear that PM-AASHA (which includes MSP etc) cannot deliver MSP to all farmers Govt enacted the Warehousing (Development and Regulation) Act –WDRA in 2007. WDRA registers warehouses that are willing to issue negotiable warehouse Receipts which carry a guarantee that the holder of the Receipts will be delivered the quantity and quality mentioned in the receipts. In 2017 WDRA licenced two repositories to facilitate the issuing of receipts in electronic form (e-NWR). But the notification is yet to be issued. The issue of an e-NWR itself is not yet compulsory. Only 140 out of 735 warehouses registered with WDRA have done it so far. Yet it has the potential to provide access to a national market for agri commodities by enabling farmers and traders to access each other across India and reduce price volatility.

There are about 55,000 warehouses in the country out of which only 735 with a capacity of 6.6 million tonnes have valid registration with WDRA. About 50% of this capacity is located in Gujarat, MO and Rajasthan. While Odisha, Jharkhand and

WB have only one registered warehouse –but they have hundreds of un registered warehouses which also exist all over the country; this makes it a major informal system.

*In Un- registered warehouses a farmer or trader who keeps his produce in these warehouses is issued a warehouse receipt in physical form. Yet he can take a pledged loan from a Bank against this receipt but it is non-negotiable and he cannot transfer it to another. Further the farmer has no protection against the warehouse in case of deterioration in quality or pilferage. The produce stored in such warehouses is generally managed by collateral management companies who arrange pledged loans from Banks against such Warehouse receipts. **The trade estimate is that more than Rs 40,000 crores** is advanced as pledge loans against WRs issued by unregistered warehouses. Hence once again the size of the informal sector is large. Collateral management companies are flourishing as most warehouses see no reason to be part of the WDRA system. Should Govt make it compulsory? Incidentally one reason why SAFALs are not popular and did not spread after the first one in Whitefield, is because vested interests realised that would cut into the interests of the non-registered or informal warehousing system which has wide spread political backing.*

S & M Farmers can avail of post-harvest loans of up to Rs 3 lac for storage against negotiable warehousing receipts for six months at 7%. Govt gives 2% subsidy. But 3% incentive for timely payment is not available for post-harvest loans as with short term crop loans; priority given to production not to marketing! Govt spent Rs 15,698 cr in 2017-18 towards interest subsidy on short term crop loans but the amount of interest subsidy for post-harvest loans against NWRs is not known –this data is not released by RBI. As few S&M Farmers have surplus for storage it is quite possible that they could not avail of any subsidy.

Karnataka has some positive news to share. A NitiAyog Report referring to the Unified Market Platform run by Rashtriya e-Market Services (RsMS), says that farmers in Karnataka have been realising 38% more income in nominal terms and 13% in real terms when compared to the wholesale rates of the same commodities in the country. The commodities include copra, black gram, tur and Bengal gram. This increase was due to the support of the e-trading interface –Unified Market Platform (UMP) run by Rastriya e-Market Services (ReMS) to facilitate bulk on line sale of farm goods which widened the scope of market access. It must be noted, however, that that NitiAyog compares the increase in Karnataka with the rates prevailing in other parts of the country but not with Karnataka farmers income. It does not say that income of Karnataka farmers had increased by 38%. Note that rates of these commodities in other parts of the country were well below MSP when this comparison was made. Incidentally Karnataka was awarded the Innovation Award by the Commonwealth Association for Public Administration (CAPAM) in 2018 for successful implementation of UMP. However, the ReMS platform has had some impact.

What is emerging especially from reports from North Karnataka is that for non-perishables the ReMS platform has helped the FPOs to broaden the circle of enquiries among buyers. There are many slips here (between identification of buyers and actual purchase,) related to quality of product, grading etc.. But these will have to be overcome one by one. The important point is that ReMS has widened the circle of buyers for non-perishables . In the case of perishables however the informal network (WhatsApp and word of mouth/SMS/cell phone) seems to dominate the market.

One assumption is that a formal and transparent transaction platform like the Farmer Producer Organisation assures that the farmer gets a fair price; this is not valid. It helps but does not ensure. The buyer resorts to several subterfuges to bring the price down, like accusation of “extra moisture, quality not uniform”. A farmer once asked: “Why cannot a drier be installed at every APMC”? In other cases, the buyer has advanced loans to the producer and tries to use this as a lever to lower prices. In one Myrada supported FPO, the issue of quality control was handled by the buyer who placed one of its staff on the spot to grade the commodity (in this case onions); this example could be repeated.

Many experts believe that if Govt. wants to put “minimum government maximum governance” into practice, it should remove all agricultural commodities from the purview of the Essential Commodities Act and give the farmer the freedom to manage his/her affairs. As Sharad Joshi says: “the govt cannot

be expected to solve the problem of agriculture because the **Govt.is** the problem!” Ever since the constitutional amendment of 1951 and the introduction of schedule 9 of the Constitution the farmer lost all freedom as regards to whom to sell, what quantity, at what prices, on movement of grain, on his freedom to buy and sell land especially for non-agricultural purposes, – and all in the name of protecting the farmer.

However other claim that this is a one-sided view and will be difficult to implement since the large farmers, traders and politicians will then be able to take full control of the market. The small and marginal farmer – by far the majority- is not organised and has no institutions which they own so that they can strike a bargain in which their interests are protected. Govt’s intentions are good - to help or protect the farmer especially the small and marginal farmer – but there are several blocks to this which need to be removed and this takes time; one major block is the support of vested interests backed by politicians who control trading in the informal and formal (traditional APMC) sectors; they ensure that prices rise and when they do, the benefits accrue to the middlemen. The blocks include the attitudes of farmers, lack of infrastructure, collusion between large farmers who also double up as traders/hoarders and local politicians (it is interesting to note that this group of traders and commission agents, no matter which party they vote for, will always support financially the party in power) and finally the “protective” attitude of Govt which is not backed up by quick decisions and by promises which are fulfilled completely. A concerted effort is required with several small steps at a time; this would entail

- i. Reduction of the number of commodities which “have” to come to the APMC –this may be easier than shutting down the APMC
- ii. Continued focus on institutionalising a transparent framework like eNAM which will require some champions among the bureaucracy to implement – given the opposition from traders and politicians
- iii. Aggressive promotion of FPOs (and their inter relationship) together with adequate grants initially to help them become self-reliant;
- iv. A legal framework exclusively for FPOs (presently they come under the Company’s Act) which gives them freedom to choose the number of members and their background together with freedom to set up their own rules and regulations related to meetings, business, membership etc. Today, reports indicate that large farmers and even farmers who are traders and double up as commission agents have become members of FPOs; they will ensure that the interests of the commission agents are protected. VOs like Myrada need to ensure that the number of members in an FPO is not too large so that all can participate; they need to ensure that the large farmers do not dominate all decisions; this can be achieved if VOs invest in building the institutional capacity of the FPOs who then would clearly identify the eligibility of members – and perhaps exclude those who are also traders and commission agents with tie ups in the APMCs.

In Myrada’s case, the CMRCs would be the best platform to take up roles of FPOs. The CMRCs are based on the SAGs who elect the members of the Board of the CMRCs; therefore, there is far more interaction between all the members since they have their roots in the SAGs. Myrada could therefore promote some CMRCs to take on the roles of the FPOs.

Myrada’s experiences indicate that the dice is heavily loaded against the farmer especially the S & M farmer. There is no level playing field. They are not organised and do not have adequate infrastructure related to storage, information and transport; they do not produce in sufficient quantity to attract buyers and do not have enough cash to delay sales; hence the importance of FPOs which can provide this infrastructure and aggregate/add value to commodities. On the other hand, the buyer can depress prices claiming excess moisture, lower quality, he/she can delay purchases if the farmer does not agree to his/her price till the farmer is forced to sell, he/she can collude with the farmers representative handling sales and bring down the prices while rewarding the representative. And finally, the political regime uses all means to keep the prices of food down for the consumer while providing subsidies for fertilisers, electricity, water etc for the producer but failing to ensure a proper price. The large farmers have the

political connections to support hoarding, they have adequate cash and staying power to wait till shortages are created in one way or the other which causes prices to rise and they capture most of the subsidies. No doubt it is a risky business and prices can fall in which case they will lose; but they have ample reserves to fall back on. It is the small and marginal farmers who have no organisations which they own and control, limited political connections to manage/manipulate prices and no staying power who are most vulnerable. Either they produce what the large farmer does –as in the case of sugarcane in Maharashtra which ensures prices and markets since the post-harvest systems have been established and managed by the larger farmers and politicians, or if they grow a different crop, they have to build up a parallel system to build a more level playing field. This is where the FPOs and informal market systems supported by Myrada have a role.

Briefly for the terms of trade to change in favour of the small and marginal farmer who are more vulnerable to the pressure of buyers and instability of market forces they need to be able to organise themselves into institutions like formal FPOs and even informal ones; this gives them some degree of power as they can aggregate produce, provide transport and reduce the control which large traders (often in collusion with politicians) have of the market. The farmer is no saint. He wants the highest price at least cost and is reluctant to change his life schedule and strike a path different from other farmers; he tends to succumb to the herd mentality. If, for instance, one grows a crop which has earned a high income in the previous year/months, many others tend to follow; this flood the market and decreases prices. As I write this the price of coriander has fallen from Rs 140 kg two months ago to Rs 10 today (Nov 23). Why? Because swayed by the high prices two months ago, several farmers cultivated coriander. This happens repeatedly and Myrada needs to caution farmers in its training with FPOs and farmers. The buyers/traders also want the best at least cost and so does the consumer who prefers a situation of surplus where prices fall. How does Myrada play a role here? What can we do to improve the weak position of the farmer and the FPO in this relationship and improve the terms of trade in favour of the farmer? Power relations in favour of the buyer and attitudes of the producer are two major areas which require change besides adequate infrastructure, information and transaction systems.

A Committee set up by GOI in 2015 to double farmers income by 2022 has come out with 13 Volumes. It recommends land pooling. Aggregation of product, value addition through village level producer companies, contract farming, engagement of professional services at farm level, not only to advise but to help farmers to outsource day to day operations from pest management to irrigation. It urges market led crop production – “from carbs to proteins” (dairy livestock fisheries) and from “farm to fork” to “fork to farm. It recommends water management, rural markets, private warehouses outside restrictive State marketing laws (APMCs). Prevention of distress sales through warehouse receipts, establishment of an institutional mechanism for price and demand forecasting, adoption of an import-export duty structure to the advantage of the farmer to address market risks related to prices. It recommends to set up an empowered committee headed by a senior officer in agri ministry for effective coordination among different Depts and Ministries to ensure quick decisions. This is because there is an inverse relationship between growth in production and growth in incomes; it ends by stating that “we need to capture the optimal value of produce rather than blindly increase production”. There is nothing new in these recommendation except perhaps the need for an Officer to Coordinate and take timely/quick decisions. Unfortunately, I do not think that a Government Officer can coordinate the various depts. and Ministries and take quick decisions. The system does not allow this level of quick co-ordination and decision making. So, if quick decisions are to be taken it is best left to the market. For example, Govt. policy has forbidden exports when there was a glut in supply and opened exports when there was expected shortages...the problem was bad timing – by the time Govt took a decision to allow exports the farmers reduced acreage under cultivation crop which created a shortage resulting in rising prices. The Govt works slowly, too slow to cope with changes on the ground. Further, programs which depend on reimbursement from Government no longer appeal to farmers and exporters because of inordinate delays. For example, in 2017-18 there is a major increase in sugar production. Govt insists that 5 million tonnes should be exported. As this will surely depress international prices, Govt offers an export incentive to make up for the loss to exporters. But no sugar mill to exporting because they say that the subsidy is released after a long delay that the cost of delay cancels the incentive.

What can Myrada do to improve the terms of trade of farmers?

Myrada has already taken up several initiatives which are explained more in detail in other papers. Some of them are briefly listed here:

- a. **Promotion of Farmers Producer Organisations.** There are about 24 FPOs promoted by Myrada in various stages of development across Myrada projects. The FPOs provide an institutional base on which small and marginal farmers can establish their presence in the market. The registered FPO can access credit from formal financial institutions, grants for infrastructure and equipment under Govt schemes; they can become a contact point for buyers who want products aggregated and build up a market chain using either the Government provided network (ReMS) or social media like WhatsApp which seems to be the most used to establish market contact both in the formal and informal sector. The FPO is the first step (like the SAG) in establishing a level playing field. It has the potential to increase the bargaining power of the S & M farmer. My experienced how the SAGs succeeded in lowering the interest rates charged by the money lender by providing credit at low rates through the Sags; it did not attack them directly. The FPOs can also succeed in obtaining a better price for the S&M farmer without conflicting with established interests. And let us admit that there are many such interests. For example, at the time of writing this paper (Nov 25,2018) there is a report that Stakeholders (read commission agents) of the APMC yard in Yeshwantpur, Bengaluru, plan to stage a protest against the e-Commerce start-up UDAAN promoted by Govt. and other B2B on line companies entering the APMC since they claim “they contribute nothing to the Government!” These initiatives are a major attempt of Govt. to crack the strangle hold of the APMCs. Interestingly the Minister for Co-operation and agricultural marketing Shri Bandeppa Kashempur vowed to meet the demands of the stakeholders (commission agents). Is further evidence of collusion required? This is what the S & M Farmers have to overcome or at least to circumvent. The FPOs offer an opportunity to take the first step. For further information refer to Rural Management Series, Paper Mo 65 (2012) by the author.

A separate Act required: However, it is becoming increasingly evident that for the FPO to be effective it needs to come under a separate Act. Currently it comes under the Companies Act and the changes in this Act are many and frequent, besides the provisions of this Act are not relevant to the emerging needs of an FPO. Further the conditions laid down by Government institutions like NABARD/SFAC which played a major role in designing the organisational framework for the FPOs has largely sacrificed the need for promoting effective participation. Why for example should the FPO have 1000 members? A recent report on FPOs shows that many large farmers and even those who double up as commission agents and traders have become members of the FPOs. This is an added threat. Presently the FPO is under threat from the APMC lobby (traders, commission agents and politicians), from internal members whose interests are aligned with the groups that control the APMC and finally from e-commerce private companies in the wholesale and retail business who are lobbying to co-opt the FPOs. Linking up with private companies (for value addition and sale in bulk) may be useful as a first step in order to have an alternative marketing structure (other than the APMC) but unless the FPOs come together and are supported by adequate infrastructure finance and communication systems, they will also be exploited by the private sector in the medium to long term.

- b. **Promotion of informal markets and networks in all Projects.** By far the bulk of market transactions of farmers in done in the informal economy. Apart from the formal FPOs emerging in Myrada, therefore, there are many informal efforts to aggregate, add value and market commodities like millets, oils (copra, etc), honey, spices etc. Many such examples have emerged around the KVK in Erode; the farmers groups contact markets also through an informal network-usually through WhatsApp (which the farmers find easy to handle – they say that there are no advertisements and one can communicate easily). However, Myrada needs to **understand the dynamics of these informal markets.** Perhaps they have some answers to the questions raised regarding the relationship between buyers and sellers. Besides, it is not required for all the associations of farmers to become formal. Myrada’s experience shows that groups emerge and function informally for several years till they decide that it is in their interests to become formal; others will carry on informally. Given that agriculture is largely in the informal economy, especially dryland agriculture, we need to be sensitive to informal initiatives and promote them as they emerge without compelling them to formalise. The example of the SAGs which continue to remain informal can be studied. It was Dr C. Rangarajan, Governor of RBI who permitted the Banks in the early 1990s to lend to unregistered (informal) SAGs. Maybe another champion will emerge to support the informal farmer organisations so that they too can access formal credit.
- c. **Inclusion of a line item in all future Myrada project budgets to support informal markets and marketing networks.** Though we may start with a lump sum, Myrada has several experiences of informal markets from which we can identify where exactly support is required.
- d. **Recruitment of people with marketing expertise to train Myrada staff and to visit our projects and advise our SAGs/CMRCs/FPOs on marketing strategies.** This is an area which needs on going attention and needs to be budgeted for in the project proposal. We need marketing expertise today as much as we needed accounts expertise several years ago.
- e. **Promotion of appropriate technology to add value to agri products.** The KVK has taken the lead, but demand for support from other Myrada projects is limited. Wonder why? We need to make a positive effort to acquire new and appropriate technologies emerging from Govt. institutions as well as from farmer Champions . This needs to be budgeted for as grants.
- f. **Investment in infrastructure especially for storage.** Myrada provided small go downs in the 1990s in Kollegal Project which were managed by the SAGs to store commodities when prices were low. The SAGs extended loans against the stock. Myrada could include a line item in project proposals for small go downs in strategic and remote areas.
- g. **Promotion of organic fertilisers/ pesticides and cultivation of organic crops.** . These products have a niche market and get a higher price since there is increasing demand for “health” foods. There are several examples in Erode promoted by the Myrada KVK; they provide a good source of income for the FPO. Once again, the KVK has taken the lead but the practice has not spread in other Myrada projects or to the wider public. These products are not well marketed. There are champions promoting organic agriculture in several Districts who can be mobilised and paid for their services. We tend to pay only experts from Agricultural Universities and Private consultants, why not also pay farmer Champions who are willing to spend time exposing other farmers to their initiatives since we know that experiential knowledge has the greatest impact?
- h. **Provision of Working Capital:** Mobilising working capital quickly and at low cost is a major problem for formal FPOs as well as for farmers organisations which are not

registered as FPOs but as Societies or Cooperatives. The importance of providing small loans at lower interest rates for working capital to the FPOs is crucial for their survival in the first few years. Loans from Sangamithra (a not-for-profit MFI promoted by Myrada) at 6% interest for working capital for formal FPOs have been provided, although Sangamithra will make a loss of about 6%.

i. Any other ideas????

At National and State levels: Myrada could lobby Govt to construct SAFALs – at least 10 of them – in strategic areas similar to the one outside Bangalore in Whitefield. The SAFAL in Whitefield provides cold storage, a collection system which covers several villages and a major open auction platform. It was constructed by NDDDB and ran well for some time. It was then handed over to the Ministry of Agriculture and has run into difficulties. The country needs several more SAFALS – though much smaller than the one in Whitefield – so that they can network effectively to move commodities(perishables) quickly to cope with situations where there is both surplus and shortage. These SAFALS could then provide a balance to APMCs as they will bring in competition because small and marginal farmers have direct access to them and can compete on an open platform. NABARD could be persuaded to invest in these SAFALS.

At national level Myrada can lobby for establishing infrastructure for MSP for rice, wheat and pulses in Bihar and Odisha. Once farmers in these States are assured of a price, they will cultivate their lands with required inputs and add to their income. When Chattisgarh introduced MSP for rice and wheat, productivity rose by 25%-30% without any extra extension services. Karnataka ended up by purchasing rice from Chattisgarh. The motivation therefore which drives the farmer is the assurance of obtaining a reasonable price.

Myrada can lobby at National and State levels for a separate Act to cover FPOs which would give them freedom to establish criteria for membership regarding number and other criteria which the FPO may consider necessary to ensure full participation and a level playing field where the S & M farmer is not exploited and has a part in all decisions. Myrada could also lobby for agri market reforms at State and Central levels and identify champions in the bureaucracy and among politicians who would support these reforms. It could also lobby for increased investments in institution building (FPOs), training of FPO staff, for technology, infrastructure and grants/low-cost credit for FPOs and other farmers institutions to aggregate, add value and set up market systems

How could Myrada increase its involvement with the small and marginal farmer if they are to double their income?We could consider the following:

First, studies show that the number of families in the rural areas will not go down though there will be migration to the cities. It is estimated that by 2030-35 the number of rural families will be the same as today. Between 2010-11 and 2015-16 the number of small and marginal farmers rose by 9 million. They are in search of non-agri sources of income. Most studies say that the rest of the economy cannot absorb this workforce at the present level of job growth. **Hence India will have to live with its small sized farms for the next two decades at least.** The picture often painted that people will give up farming and migrate to cities is not that clear. There will be a long transition period when they will be engaged in agri and non-agri operations. Besides most Indian farmers relate with the farm –their land is all important; it gives them identity and security. Moreover, the non-agri activities in towns and cities are often temporary, mostly in the informal sector and therefore without all the safety measures that formal

occupations provide; their farm holdings will remain the basis for their security. Hence interveners like Myrada need to invest in the agri sector to reduce the stress and vulnerability during this transition. This may help farmers to keep possession of their lands even while they migrate for work. If the economy goes into a recession or jobs are not available during certain periods, they will always have the farm land to fall back on, at least to shelter them and to provide some basic support.

Second MSP does not help all farmers: The NSSO sample survey of 2013 provides some clues. Farmers holding less than 0.4 hac (one third of agri households) will not benefit since receipts from agri income constitute less than one sixth of their income. What about Farmers holding 0.4 hac to 1 ha (one third of agri households)? Records show that receipts from agri income is about two fifths of total income – they may benefit a little. Myrada needs to support initiatives for them to adopt other sources of income both on and off farm.

*Provisional numbers from the 10th agriculture census 2015 – 2016 show that Small and marginal farmers (holding less than two has of land) account for 86.2% of all farmers in India but own only 43% of the cropped area. The number of this category of farmers grew from 84.9% to 86.2% between 2010-11 and 2015-16. Most of these small and marginal farmers will not have surplus to sell through procurement. Medium farmers owning between 2-10 has account for 13.2% of all farmers and own 43.6% of crop area. MSP will help many in this group. The census shows that the total area under farming fell from 159.6 million has to 157.14 hacs; yet overall production has gone up? We do not have adequate answers to explain these shifts. The survey shows that farms operated by women rose from 12.8% to 13.9%...signalling that more women are managing farm operations –while men migrate for other jobs. **This seems to be the growing pattern– to diversify the livelihood base not only in the agri sector but also between the rural and the cities/towns.***

Third Govt. extension system cannot cope: The existence of small and marginal farmers - close to 126 million according to the census means that it is challenging for Govt extension programs to reach them with new technology and input schemes, leave alone marketing. These 126 million farmers own 74.4 million has—on an average of 0.6 hacs. Therefore, VOs like Myrada have a major role to play in extension especially for the S & M farmer.

It is increasingly being realised that if farmers income is to be doubled this would require the farmer family to be engaged in a variety of on farm and off farm activities as well as in the marketing system and in pricing policy initiatives. The focus cannot be restricted to one member of the farmer family and to one livelihood source namely agriculture, and the S & M farmers cannot be marginalised from the marketing system. A recent study by NABARD (2018) compares income sources in 2012-13 (data from NSSO survey) to income sources in 15-16 (NABARD survey). This comparison shows that income **from cultivation** was Rs 3018 in 2012-13 and marginally increased to Rs 3149 in 15-16. Income **from livestock** was Rs 763 in 2012-13 and decreased to Rs 711 in 15-16. Whereas income **from wages/salary** grew much more; it was Rs 2071 in 2012-13 and Rs 3025 in 2015-16. Income **from non-farm enterprises** rose the highest... from Rs 512 in 2012-13 to Rs 1566 in 2015-16. In fact, it is increasingly difficult to claim that cultivation is the major livelihood source of rural families. Income from Animal husbandry is almost as large as income from cultivation in many States, though the sector has been hit by policies restricting sale of cattle. What also emerges is that several members of the farmers family take on livelihood activities –both on and off farm. Myrada has recognised this pattern through a study of the loans taken by the SAG members. It now has to strengthen its strategy to include this broad framework of livelihood activities. **The above paragraphs provide adequate reason for Myrada to continue its involvement in the rural sector.**

The following paragraphs will identify some of the various activities on which Myrada can focus on in order to help double the farm family's income through on farm activities.

a) **Animal Husbandry: Milk:** While farmers in Maharashtra are not getting a good price for milk, those in Karnataka do not have this problem as yet (I have explained this below). As a result, farmers in Maharashtra are protesting. However, lead farmers in all states are also diversifying animal husbandry. They are taking up goat rearing and small poultry units given the problems they are now facing in rearing cows.

Livestock and by-products provide incomes to millions.; but this source is under severe stress. In August (2018) the shipping Ministry was persuaded to ban exports of livestock from all ports. Note that export of livestock was one of the largest foreign exchange earners apart from providing jobs to a large number of families. Buffalo meat has been a major export item for several years in fact it has overtaken export of basmati rice to become India's biggest single agri export fetching over Rs 25,000 cr yearly. Uttar Pradesh was a major exporter of buffalo meat and economists (including Swaminathan Aiyer) argue that UP can accelerate GDP growth by at least 8% by focusing on buffalo meat export. The ban on cow slaughter means that aged cattle fetch nothing for the farmer while aged buffaloes fetch Rs 25,000/-. Hence there is a shift to buffalo rearing. Dairy, meat and leather could boost UPs GDP. In the Southern States where water bodies are scarce, rearing of Buffaloes is not popular; southerners also prefer cow milk. The Ministry has also banned small country craft from exporting animals from Gujerat's ports. Small lots (1500-2000) were too small for big ships so they were transported by country craft. This bans itself has affected about 40,000 families mostly along the shoreline of Gujerat and Maharashtra. Exports of sheep and goats have been rising in recent years touching a peak of Rs 527 crs in 2016-17 before falling to Rs 411 crs in 2017-18. As a policy shift, Operation Flood should extend to goats. Cattle do not like paddy straw (which is therefore burned) but Goats will eat it –with a little molasses it will make a healthy fodder. Income from. AH has now become almost as large as income from cropping in some States– (both 30%). This sector needs heavy investment in improving stock rearing (particularly goats and sheep) and methods and means of slaughter and in marketing for it to assist in doubling farmers income.

Shri Pushendra Singh, the President of the Kisan Shakti Sanghsays:” milk economy is characterised by daily and frequent cash flows which the farmer needs. Now milk prices in some states have dropped and farmers are facing a loss. Then there is the “gauraksha” issue. When our cows and buffaloes no longer produce milk, we have to sell them somewhere. It’s our economic activity. Selling them now is difficult because nobody wants to take them. The market is finished”. Reports from UP where farmers are herding unwanted cows into schools and other govt. buildings are increasing daily. The Police in UP have now started a campaign to persuade every police man (and Government employee) to maintain one dry cow which was let loose by farmers and is destroying crops.

Myrada can play a role to promote goat rearing. But care must be taken not to impose models like the goat rearing shed which is useful in high rainfall areas but not necessary in our dry zone areas. Secondly stall feeding has to be adapted in each case. For example, many families do not enclose goats in small stalls but tie them to a pole in the homestead with a long rope which gives the animal some space to walk around. A goat unit of 3-4 can easily be maintained. They litter twice a year and do not require much care or water and green fodder; even paddy straw suitably fortified with molasses is acceptable.

Myrada can also focus on promoting small poultry units provided there is a tie up with a marketing chain. There was an initiative in HD Kote area; the company concerned- Suguna - provided chicks and collected the grown birds. However, it faded out probably because farmers did not realise that they have to manage these units far more intensively than they are accustomed to in the case of backyard poultry. The FPOs could perhaps take this up and play a role in quality control and marketing as well as input supply (feed), and care of chicks for a week during which time they receive all vaccinations.

b). Horticulture: Myrada has promoted about 24 Farmer Producer Organisations They are about 2-3 years old. Seven are funded by the Horticulture Dept which has given each FPO a grant of Rs 40 lakh while ten are supported by NABARD which has given each FPO a grant of about Rs 9.05 lac. Three FPOs are supported by Sericulture Dept which has given each a grant of Rs 40 lakh. One FPO has not asked for any grants; it relies on its own resources and is functioning well. The others are in the initial stages. Each FPO has to mobilise 1000 members. Most have already reached this figure. Reports from established horticulture (fruits and vegetables) farmers **indicates that horticulture adds considerably to the farmers income. In fact, in many areas where it has spread and where marketing has been established, 30% of farmers income from agriculture and on farm activities is contributed by Horticulture (fruits and vegetables).**

Certain issues need to be addressed. Can FPOs sponsored by Sericulture dept also take up fruits and vegetables which the Horticulture dept focuses on?? In many case farmers in sericulture also grow vegetables. Why cannot they be allowed to use the services of the Sericulture FPO to market vegetables. Do they need to join another FPO to manage vegetables or fruits? Reports of the commodities managed by Myrada promoted FPOs indicate that the FPOs sponsored by Nabard and horticulture manage fruits, vegetables and even oilseeds (soya bean) and spices (turmeric), while those supported by the Sericulture Dept remain confined to Sericulture only even where cocoon markets are already organised by Government like in Siddlaghatta, Karnataka. Could we not ask the members to set their priorities instead of confining them to do what the Dept of sericulture decides?

Secondly, what is evident from the FPOs Myrada has promoted is that most of the members cultivate crops that require irrigation- mango is an exception. What can Myrada do to improve acceptance of horticulture by small and marginal farmers especially by those with no irrigation potential? Some suggestions like the following can be considered.

Promotion of fruits like custard apple (and other local fruits like jamun,ber et.) which do not require irrigation and are non-browsable – this is popular in Kolar. Marginal/drylandfarmers may not be members of FPOs but they collect custard apples from their lands as well as from common lands and have established a market in the informal sector. Currently farmers growing/collecting custard apple from bunds, common lands and forest areas in and around our Project area in Kolar are selling them informally through middle men.

The point is that Myrada could also consider supporting farmers who are not in the FPOs. They could be supported to grow fruits and vegetables (during monsoon only) on lands without irrigation The market would also be in the informal sector and probably local, surely as far as vegetables are concerned.

What can Myrada do with farmers who have irrigation and are cultivating vegetables etc.: Make drip irrigation a condition for any Myrada support. (in case of onion small sprinklers also seem to be popular). Reduce use of inorganic fertilisers which is increasing in crops like onions; can this be substituted by organic inputs? Ditto with pesticides. Could Myrada Invest in machinery for value addition of horticultural by products like value addition to process banana stems into fibre etc and in better management of harvesting (mangoes would benefit) and appropriate and low-cost storage?

c)Farm Forestry This is another crop which is appropriate in dryland farming especially where the land is undulating and soils of poor quality. A good example is the Kolar area. Farmers have found employment in Bangalore and Kolar and cultivate trees on their farms. Eucalyptus is the most popular since it survives even several years of drought, and grows on very degraded soils on upper reaches; it

fetches a good price in the timber market for poles and is in demand for industrial use as well as from tomato farmers for stakes (from the branches) which white ants do not attack. In fact, each stake is sold for Rs 3-5. Eucalyptus is also non browsable which enables it to survive in a free-range area where animals graze. There are of course negative aspects –the leaves add to the Ph of the soils, the tree absorbs water (hence it should not be grown in lower reaches and where water is available in open wells). Casurina (servaimara) is another tree which brings in good income and is almost as sturdy as eucalyptus in coping with drought; it also fixates nitrogen in the soil, though it is browsed when no other green leaves are available. Farm forestry provides a lump sum income once in 5-7 years which comes in handy for marriages etc. Can farm forestry be extended to projects in the centre and north of Karnataka?

Myrada needs to promote farm forestry in all its watershed projects. The CMRCs can be encouraged to maintain nurseries. The Project budget could provide the initial costs and the CMRCs could sell the saplings for reinvestment. Choice of saplings should be made by the people.

Changes in attitudes and practices which affect farmers lives and which are required to double farmers' income.

It is commonly accepted (though often in private) that Farmers in India need to change their attitudes and practices if they are to double their income. For example, farmers in Israel where intensive and diverse cropping is practised in small plots –usually in closed chambers - spend at least 6-8hours a day on their farm just as any nonfarm employee in a Urban Corporate does. The focus on quality, high productivity and timeliness requires this change in the lives of farmers. These comments may raise a controversy, but there is little doubt that farmers need to change. Farmers in India however are not accustomed to the demands for change in their farm management practices which quality, productivity and timeliness require. For example, when Myrada supported SAFAL in Kolar to set up a collection centre in one place, the farmers brought all their produce in one large bag. This was their practice when they sold in the shandies in KGF, Bangarapet and Kolar. However, SAFAL paid a high price for quality. When farmers realised this, they began focusing on quality. This required them to visit their farm daily. Previously they visited once or twice a week. They had to visit daily to identify pest/virus attacks and attend to these immediately. This required a change in their daily schedule. In the past larger farmers also relied on labour for work; the labour did not pay attention to quality etc. Today with a shortage of labour the owner has to devote far more time on the field if he wants to have a higher income. If he/she does not, the crop will suffer. Another example is farmers who have introduced drip irrigation. They cannot assume that it works well without daily maintenance. Our experience shows that considerable water is wasted unless the farmers daily manages the drip system right up to the delivery point – which is not the case in many fields. So far drip has been introduced largely to reduce labour costs. But the level of personal management required to cut down water waste and to use it efficiently is still not evident.

Another common feature is the herd mentality which was referred to above. If one crop earns high income, several farmers opt for it with the result that prices crash. The example of coriander given above where prices crashed due to over production is not new. It happens regularly, yet farmers do not change. And finally, the sad case of farmers suicides. Why? Largely because they have been unable to repay loans to relatives –not to banks. The social sanctions in traditional society are still strong. The US has millions of defaulters to Banks, yet I have never heard of anyone committing suicide. Can we change these attitudes of our farmers to strike a balance? Can this be included in our training programs for FPOs both formal and informal?

Every change in demand (quality for instance) as well as in technology (drip) requires a change in management practices which in turn requires a change in farmers attitudes and practices which affects their livelihood patterns. Myrada needs to study this more in depth if it is to understand what is required not only to double farmers income but also to make it sustainable. This change in attitudes will help to turn shift the terms of trade in favour of the farmer.

Our experience however shows that there will not be one answer for every commodity. Organic produce for instance has changed the terms of trade in favour of the producer since the demand exceeds supply, and the ultimate customer is willing to pay more for the product. The ultimate customer in this case is well educated, earns a good income and is convinced that organic food is good for health and is perhaps a long-term investment in preventive health care! The same does not hold for other crops however.

PART 3. CHANGE IN IMPLEMENTATION STRATEGIES OF GOVERNMENT

A major shift in implementation of Government programs is that Voluntary **Organisations (VOs) are no longer invited by Government to participate in rural development programs which it supports.** There are of course a few exceptions at State level. This is unfortunate, because the major successful rural development programs have been due to participatory models (Politicians, Government/bureaucrats, and VOs). The Green Revolution had champions like C. Subramaniam (politician) and Dr Swaminathan (scientist and bureaucrat) with the Punjab Farmer taking the lead in implementation; the White Revolution had Shri Tribuvan das Patel (from the Co-operative Movement), Dr Kurien (who operated like an entrepreneur cum bureaucrat) and the PM Lal Bahadur Sashtri who decided to launch it all over the country; Myrada worked closely with Government in several programs. Two outstanding examples are the SAG movement and the involvement of people in Watershed programs. Both started in Myrada and became national policy, thanks to Champions within Government like Shri PR Nayak and Dr. C Rangarajan in the SAG movement and Shri PR Nayak and Shri Meenakshisundaram in Karnataka and ShriYugandar (in Delhi) in the Watershed program. The SAG movement involved RBI/NABARD and 5000 VOs; it was then taken over by Government in 2000 and found echoes in SGSY and NRLM. The NREGA was conceived in NAC which had representatives from VOs, Govt and politicians; thanks to its legal basis (NREGA is backed by an ACT) it still continues; politicians also find it useful to provide direct employment –unlike the NRLM which is a mixed bag and which most States have watered down considerably. The RTI was initiated by VOs and became law thanks to political and bureaucratic backing, though every effort is being made by Govt. to water it down, its legal basis has helped it to survive.

In spite of the evidence from all these successful initiatives which took off due to a collaborative effort, the recent trend in Govt policy to involve only the Government mechanism in concept and implementation has closed the doors to other institutions which brought in professionals, entrepreneurs, VOs and people's institutions like the Cooperatives, SAGs, Watershed Associations, etc. Government is withdrawing from engagement not only with VOs but also from people's institutions mentioned above; it is implementing programs in the social sector through political cadres and its own staff often recruited for a specific project. Besides, it is difficult to find any "Champions" in the social sector in Government. They just do not seem to have the space required to introduce innovation. Most Government Officers managing such programs prefer to hire staff for the project so that they have control. Unfortunately, such programs take off very well under dedicated officers, but lose momentum after the officer is transferred. Their successors are usually not interested or have no experience - NRLM in the country and MAVIM in Maharashtra are good examples, though MAVIM picked up again after a few years due to good leadership. KAWAD is another example; it was set up by GOK to manage all watershed programs; it had accumulated experience of partnership with VOs and CBOs which would have influenced future watershed programs; but it did not last. In programs where VOs have been involved, they with the people's institutions continue to support the program even though support under the government program declines or even stops after the project is over. Unfortunately, the trend to exclude VOs started in a major way with NRLM under the previous govt. and this has created a trend which the present Govt has strengthened.

Actionists VOs like Myrada who have experience with working with Government in rural programs have found openings which can help these Government programs to take root; they carry forward accumulated experience; they are able to organise appropriate people's institutions which play an effective role in planning, budgeting, implementing and sustaining the investment. They have provided

the last mile and a degree of sustainability which seems to be the Achilles heel of most Govt programs in the rural livelihood sector. The SAG movement which started in the VO Sector and spread all over India with the support of NABARD, Banks, 5000 VOs and some State Governments mainly TN and Maharashtra are a good example. Apart from several other hurdles in the last mile, one of the problems in the last mile is that the weaker sectors get left out (excluded). Myrada has and will continue to address this hurdle but how does it get involved in the first place and from where does it mobilise funds to support its efforts?

International Institutions like the World Bank which once were open to involving VOs in Government programs have changed their approach; the reasons are not clear, though one suspects that the involvement of VOs promotes the involvement of people and greater transparency which are not welcomed by Government line departments even though senior officers may try to include VOs. There is also a change in International Institutions; they are moving away from involvement of people's institutions towards technology which they value since it is able to provide figures and quantifiable indicators including satellite imagery. Peoples institutions take time to form, are fuzzy and create problems (according to them). The difference between Sujala Phase 1 and 3 is a clear indication of the trend. Phase One involved 50 VOs and hundreds of Watershed Associations to which funds were transferred by the Project. In Phase 3 no VO was involved and all the funds are devoted to supporting Government Institutions providing technical support to watershed programs, including institutions outside the State. No funds are provided to watershed institutions or to VOs as in Phase 1. Government especially GOI, in recent times has also marginalised VOs except those it feels happy with GOI, tends to put both Activists and Actionists (like Myrada) in one basket. Govt of India has come down heavily on Activists and as a result, the Actionists have also been constrained

Issues that Myrada needs to address: How do we relate to this scenario where both peoples' institutions and VOs are excluded? In which programs can Myrada get involved? How can Myrada support these programs to take off? How can Myrada ensure that the poorer sectors and marginalised also benefit from Govt. programs and do not get left out. It is not just the failure of the last mile in the delivery system setup by Govt., it is also about the delivery system failing to reach the poor to improve their asset ownership and income and to give them a greater role to claim their rights and entitlements. If Govt. machinery alone is involved, the last mile suffers and hence the ultimate beneficiary. This is the major reason why farmers and other marginalised sectors prefer direct benefits in place of schemes which are managed by Govt. line Depts.

The assumption that these schemes (which are targeted to the poor) will automatically include the poor sections of the proposed beneficiaries cannot be taken for granted in view of our past experiences. For example, in PIDOW, Gulbarga (1985-1995) in watershed programs promoted by Government, the management model proposed was to form one watershed association for the entire micro watershed. Myrada showed that there are several groups in a watershed often with different and even conflicting interests. In Gulbarga for instance the more prosperous farmers holding lands at the bottom of the watershed which had better than soils than those in the middle and upper reaches refused to allow people to construct water and soil holding structures in the middle and upper reaches (owned by poorer farmers and tribal) because they wanted to "harvest soil". In other words, they wanted the soil from the upper and middle reaches to come down and improve their lands. On the other hand, the objective of watershed management as to keep the soil in situ and increase the capacity of the upper reaches to hold water. It took some time for Myrada to convince Govt. to permit those with lands in the middle and upper reaches

to form separate watershed management groups and then to have one co-ordinating body. This helped to ensure that the interests of each group were kept in mind. The farmers with lands in the lower reaches slowly came around when they found that soil and water conservation measures in the upper reaches improved the duration of the moisture flow into their soils and replenished their wells over a longer period. But this was achieved only through the VOs persuasion and the formation of separate watershed institutions.

Another example of the important role Myrada and people's institutions played was to support the initiative by Watershed associations to increase the tree cover in the watershed in Gulbarga. They entered into agreements with absentee landlords in which the watershed association agreed to fence the land with boulder walls. In return the owner would allow those (primarily the landless) with milch animals to harvest the fodder grass (which was planted by the Watershed Association on the land) and the lopping for firewood. The trees were protected thanks to the boulder walls and harvested by the land owner. This resulted in a significant increase in forest cover which improved the physical condition of the watershed.

A third example was the initiative taken by Myrada to persuade the Swiss donors and the GOK to extend funds directly to the Watershed Management Associations (WMAs) after they had finalised the treatment plan. This provided the WDAs with the flexibility to negotiate with each farmer depending on the work involved to construct structures. As a result, considerable savings were made, as some structures already existed and all fields did not require the same amount of treatment. These savings were used to support silt application on the middle and upper reaches and afforestation. These are a few examples of many others where the role of VOs and CBOs had a significant and sustainable impact.

From where will the funds come for Myrada to play an effective role in promoting mechanisms and institutions to manage the last mile in these Govt. programs since Govt does not include VOs in its budget any longer? It is not enough to hold a position that Myrada's funding sources for watershed programs will shift from Government to Corporates and these programs can be implemented independently of Government. The point is that Actionists VOs like Myrada need to be involved **in Government programs** because they open the doors for participation of peoples' institutions. However, this will require a change in the attitude of Government towards VOs. and lobbying with international institutions like the World Bank. One problem at the international level is that the most effective lobbying with the World Bank to promote participation of VOs and people was done by the Bi-Laterals especially the UK, Sweden, Canada and the Netherlands due to the influence that the VOs had in these countries. Unfortunately, all these institutions have also shifted their priorities to promoting security and technology and their areas of investment no longer include India and much less South India.

Members of the Board who can influence Govt. policies have a major role to promote this Govt. VO partnership. Alongside describing the successful models implemented in a partnership mode could be presented at seminars and in policy papers. For further material on this partnership between Government and VOs please refer to a paper "NGOs and Government in Collaboration for Development" a Key Note Address given at a Seminar organised by the Indian Institute of Public Administration, Karnataka Regional Branch on March 23, 2004.

Support for VOs for watershed management from Government related Organisations. Though Govt is no longer including VOs in watershed programs, quasi Govt institutions like Nabard continue to do so. A three-way partnership model is emerging –namely Nabard-Corporates-VOs. The VO implements the program, the Corporates and Nabard provide funds and regular monitoring. Nabard

and ITC already have put in place the foundation for such a model in partnership with Myrada in Andhra. This is good development and must be encouraged partly by ensuring that we (VOs) do a good job and that we maintain healthy working relationships both with corporates and these institutions like Nabard.

PART 4. EMERGING INITIATIVES-THE NEW CHAMPIONS AND TRADITIONAL ONES (HEALTH, CRAFTS, ETC).

Part 1 urges an approach which goes outside the project framework. Several references are made in PART 1 to new champions in the villages with whom Myrada projects do not or hesitate to interact. This Part carries this suggestion a little further. It challenges Myrada staff to work not only outside the project framework by networking with new champions who have introduced a change in farming technology, etc., but also with traditional Champions like health workers (Dais), artisans, those who have preserved and grown traditional varieties of crops and forest species and used traditional methods of pest control and post-harvest storage. It also suggests that Myrada goes beyond occasional visits to these champions and invests in setting up a platform for regular exchange and combined programs to spread innovative approaches in a sustainable manner. Most Champions are not institution builders or networkers. They innovate, some benefit from their innovation and go no further; a few are discovered by the media and are invited to spread their message.

Can we learn from them and help to spread their ideas? In the case of traditional champions, can we upgrade their skills and technology and help them to earn a better price for their skills and products.? We need to clearly specify how we can support these champions so that we strengthen the multiplier effect of our interventions and at the same time strengthen the programs which lower the cost of inputs and improve soil health, water availability and use as well as improve traditional skills and practices. Incidentally there are also champions in the informal market sector. Can we build on their experience and networks just as Kadiri did in the pickle making business (which is described in detail elsewhere) alongside the model of setting up formal FPOs?

New Champions: What we see around us today are new Champions. The growth in the number of individual Champions is today far greater than the emergence of new VOs with whom Myrada networked in Chitradurga and in Kadiri in the past. They are like mushrooms that spring up outside our formal project framework to meet new challenges. Examples of Champions are the several farmers who have on their own adopted new farming methods, discovered or adapted appropriate technologies that sustain the soil, water resources and livelihood activities. I have referred to several of these Champions in Part 1. Some of them are farmers, others have left corporate jobs and gone into farming, including horticulture, animal husbandry and on farm activities. They decided to give up traditional practices, roles and systems with which they have been comfortable and ventured out into completely new situations in spite of the personal challenges they face. They are at the **cutting edge of new forms of engagement and they have the passion (and professionalism)** that is required to drive them. Perhaps the only experience Myrada has of interacting with individual Champions and incorporating their strengths **in our vision is in the KVK**. But perhaps this is due not to the pressure from Myrada but from the KVK approach which focuses on individual farmers and promotes an extension model based on what is called “the Lead Farmer”. However, we can learn from the KVK’s experiences. in this area.

Does Myrada need to re-engineer itself in order to be able to link up with these new champions. By re-engineering I mean –do we stick to our major model of setting up new Project bases with infrastructure (campus, equipment, etc), or can we network with these new champions via social media which would give us a broader base to trigger and sustain change over a larger area (even a District) without setting up new project infrastructure?

There is however one caveat. Some Champions adopt extreme strategies –like organic farming – which may not be readily acceptable for several reasons including a dip in productivity and the absence of a niche market which pays higher prices. All our farmers may not be willing to take this major step as it

is a big risk. Therefore, after exposure to these Champions, farmers can adjust and adopt strategies which eventually will lead to a fully organic approach. The experience of MYKAPs where “organic cotton” which was initially promoted but later shifted to “better cotton” where a balanced use of inorganic substances were allowed can be studied as an example of a step by step approach.

Traditional Champions are often given second place and their skills are not adequately valued. But many of them hold the secrets of sustainable livelihoods and appropriate silks and services in an economy which is still rural and largely informal. Myrada has made efforts to identify and upgrade the skills of traditional health workers; but once again the program did not expand either because the traditional health workers passed away and were not replaced or because our project was completed. There are also many traditional methods of pest/virus control and post-harvest storage which we need to identify, upgrade if possible and required and spread if acceptable; and most of them are cheaper than the modern utensils provided for storage. There are also several local farmers who have selected the best ears or cobs of traditional varieties and preserved them. A similar situation exists with traditional artisans. Before we plan to support such farmers, we need to be committed to appreciating and preserving traditional varieties and skills? During project preparation, these initiatives and people must be identified and discussions held with them to assess what can be done to promote their initiatives and skills.

Why should Myrada open out to these Champions? Myrada does not have all the answers and it is not easy for an institution of 50 years to innovate. The large corporates know this and hence they buy out start-ups who have proved that their innovations work. However, for Myrada the “buy out” approach will not work. We need to find a new model of operations – which moves away from buying out innovative start-ups (or competing with them) towards working with champions and providing the strengths we have accumulated over the years in order to give innovations a broader base from which they can scale up. This may require some funds, not a large amount, which should be budgeted for in the proposal.

Have we re-engineered both structurally and in terms of personnel and attitudes in the past? Though Myrada maintained the Project approach, it had to change in the 80s when we moved from an organisation devoted to resettlement of one refugee community in a few small areas (where a top down Directors instructions approach implemented by Services retired officers was appropriate and successful) to one which was spread over large areas with a diverse population; this new approach focused on peoples participation, building poor peoples’ institutions which were appropriate to the resource to be managed or the objective to be achieved. They were not standardised. A new vision and mission emerged, new staff were recruited and a training program for Staff called the DPTP was put in place. Can we do it again?

We also moved away in the 80s from the “Myrada only” approach to one where partnership was a core organisational value. The South Asia Partnership program which was managed from Myrada helped us to discover new institutions, new ideas and build new networks. If we try to re-engineer Myrada to relate with new initiatives, what will emerge one cannot say – just as we did not know what would emerge from new strategies which took shape in the 1980s- but the attempt to engage with emerging initiatives will surely have an impact on our present structure and culture which incarnated the approach of VOs which were born in the 70s,80s and 90s (PRADAN, ASSEFA, SEVA Mandir are examples). Is this model of a VO relevant today and in the future, or does it need to be expanded? Can we break out of our project boundaries and promote a District approach by networking with champions who share our objectives?

If our mind set and vision encourages/motivates us to adopt this wider approach, we need to build alternate platforms which make networking a major part of our strategy to cover the last mile in an ever-widening circle around our Project base. There are often several farmer champions within a District, but they do not network much less do they share their experiences with their neighbours. However, they have the potential for greater impact if they can be networked together not just to share information but to take a step further and spread their individual initiatives. This sharing happens sometimes when an organisation like an VO approaches them to share their experiences and to allow others to have an exposure to their farms. However, they must be given some incentive in return. Myrada could mobilise support for these Champions; the support could be both technical and financial. Myrada could include in its project budget a line item to support these Champions. The CMRCs could also engage them directly and pay for their service, as they do for their members selected to take on training of SAGs. This network can also serve as the last mile both to spread messages related to rural technology and marketing as well as to access inputs.

Can our Staff respond to these Champions and build trusting and supportive relations? These new Champions are already committed to new strategies in agriculture etc, it is difficult to claim that our project staff are similarly committed – there are exceptions of course. Can the passion of these champions rub off on our staff so that they also interiorise these approaches and carry them beyond a project implementation framework? To my mind, our project staff need such champions to motivate them. What is disappointing is that though the staff have been repeatedly asked to meet and interact with these champions, they seem to be reluctant to do so. Are they afraid that this interaction will result in a demand for greater commitment (and work) from them? We really need to explore this angle. The Head Office staff cannot be expected to motivate project staff in all these sectors. Hence outside champions will be required. To put it briefly, just as Government programs have learnt from innovations triggered by VOs and people's institutions, our staff should be motivated to adopt new approaches in agriculture and in other areas by interacting and working with these champions.

So far, we have recruited staff and placed them in various projects. None (or very few) of them were dedicated to any change in the sectors in which we worked. I doubt if any of our staff were involved in voluntary work before they joined. Many of them expressed the desire to work for the poor when they were recruited. As a result, they were prepared to work in any sector that the Project promoted and not in any particular sector (like health, women's empowerment, education, environment), -- to which the Champions are committed. While this has provided Myrada with a solid base of staff who opted to stay in Myrada especially after the DPTP training we provided, we need to have staff who are a few steps ahead and who can communicate their passion for change and share their professionalism. It is no longer enough to be dedicated to alleviating poverty in general. Our staff must also be committed to change in specific sectors. If we do not have such staff, we need to relate with champions who are emerging around us. Would any of our staff who is committed to change in any sector (agriculture, education, health) volunteer to stay in the village and become a champion over time? What incentives would he/she require?

How do we go about getting our staff to interact with these new champions? By motivating them to **read regularly**. We need to provide them with relevant material and ensure that they read through **organising compact training sessions**. A mini DPTP would help. By **encouraging weekly discussions** of these relevant topics in smaller groups of staff. By motivating **them to visit and interact with these Champions** as part of staff exposure. To interiorise that Myrada is a learning institution which shares the objectives of these Champions and would even support them to spread their message. We need to include discussions with all these champions during project preparation so that we can understand their problems and their solutions which may need financial support and upgrading of skills for which we

could budget. Our staff were committed to helping the poor when they joined but with age and a degree of comfort, this commitment diminishes. Hopefully, their interaction with these Champions will help to re-javanite them and increase their commitment.

This approach will require the project staff to think and work outside their (comfortable) Project framework and to cultivate a vision and strategy for the District. Myrada had one example of a District approach in the 90s in Chitradurga which was supported by the donor, the VO Weltungerhilfe. The decision was **taken to make Chitradurga a SAG District**. This enabled Myrada to have a much greater influence in the District than it could have exercised within the framework of its own Project in the District. A network of VOs was established to achieve this objective and several learnings were shared. However, this initiative focused only on Voluntary Organisations. It did not incorporate individual Champions in its vision. It must also be mentioned that in the 90s there were no known Champions in the District who had triggered innovations in any sector; or perhaps there were, but we did not know about them or look for them. This District approach unfortunately declined after the Senior staff of Chitradurga were transferred. It also did not extend to other projects of Myrada.

It is worth considering whether Myrada can adopt both the project approach which it does at present as well as what I call the “Champion” approach which breaks project boundaries and is motivated by volunteerism passion and professionalism; this approach requires the ability to live and work out of the box, not only to “give back: but also, to “give up.

What about our HO and Project Campuses? There are several champions in and around Bengaluru who do not interact with one another. There are for example young people in schools and colleges spending time to teach children of migrants and improve the skills of those in Government schools. They say that they want to give forward before giving back. There is a recent request from a VO in Coimbatore working with children who have cancer who want to start work in Bengaluru, and need a small space for a few months as an office be while they establish themselves. -. How does Myrada relate to these initiatives? Can the HO provide a physical platform for them to start or to interact? A working space as it were, which can attract and support these champions for a short period or till they are able to stand on their feet or broaden the area of impact of their innovative and entrepreneurial interventions. **This would require that Myrada provides an “open house” (both at Head Office as well as at the Project Offices) where such volunteers could find a place to come and discuss ideas and take up pilots perhaps within the context of our Project areas or even outside. Myrada would need some untied funds to employ experienced people to mentor, handhold these initiatives as well as to provide basic services required for an “open House” to offer a creative and welcoming environment. We already call our office “Myrada House” could it develop into an “Myrada Open House” in course of time?** So far Myrada has promoted poor people’s Institutions, are we able also to promote “Champions” ... through an Open House” both at Head office and Project level

PART 5. NEW TRENDS IN DONOR PROFILE; From VO Donors to Corporates under CSR

There is a major increase in programs supported by corporates under CSR. Corporates focus on implementation in the short term and on verifiable indicators of impact. While most professional VOs also produce data related to impact, it is often not systematic; many VOs focus more on the process of people's participation and sustainability where the impact is real but not necessarily tangible in terms of reduction to figures; the proof that the processes have been relevant and appropriate usually emerges several years later when the impact has proved to be sustainable. But there are also tools to verify short term outputs with a potential for sustainability. Have we the tools and the skills to cope with this demand? A helpful tool would be to put all our project proposals in a Logical Framework format where we identify from the beginning the verifiable indicators at every step from input to output, from output to outcome, from outcome to objective and from objective to goal. We do use the Logical Framework sometimes but it is usually done by one person without the entire staff understanding the logic and buying into it.

There is also the need to educate Corporates. Many of them are still in the first stage of development. There are of course exceptions like those which have managed rural development programs with their own staff like Aditya Birla Group and others which have established a structure in areas where they have rural development programs which are supported by a team of professionals whom they recruit; ITC is an example. This team identifies areas where intervention is required and partner with Govt. and VOs to provide funding and support implementation. They also want tangible results and want it "quantified", but are willing to assist the VO in this exercise. Further they are wary about change which causes tension and attracts the media which they would like to avoid. Yet for Myrada, change in social/economic structure brought about and led by the people is part of the process which underlies all its interventions. It may cause tensions but that has to be faced if we care about empowerment of the poor who lobby for a level playing field, provided tensions can be managed without breaking out into violence – which as Myrada's experience shows can be done when people take the lead in the process of change. They know when and how to take one step backward and when to take two steps forwards in order to avoid violence. After all they have to live in the village.

Though corporates talk of sustainability as an objective, they are reluctant to accept that it requires adequate time and money. They are also do not open to the need for funds and time to build professional VOs. They expect VOs to recruit staff and implement a program. They do not appreciate that new staff need training and exposure before they can become effective. They have this same problem when they are realising that they have recruited staff who are not employable without intensive training. Can a VO which is built on the model of the 80s and 90s where staff had commitment for a longer term involvement survive in a context of short term funding and yet promote the objective of sustainability of impact, which requires building of human, social and institutional capital--- largely intangible - during the process? This requires a longer period than a project of 3 years which is the current practice.? Myrada cannot support a "bench" of staff who are awaiting new contracts after one expires as is the practice with corporates.

Some corporates are willing to adapt to the requirements of VOs and to be flexible to changes in response to people's priorities. Others, especially their staff at lower levels (who actually deal with the proposals and VOs) are not so flexible and apply the same approach to VOs as they do with their private contractors. They are willing to pay salaries of staff managing the projects they support (though some are reluctant to pay adequately), but they are not open to contributing towards head office which

provides several back up services. Recently Myrada had an example of a Corporate which promotes skills training which is working with several Myrada projects. The program is managed by the respective CIDORs but the CIDORs do not get any compensation for their services. Yet their program is identified as one of the best by the Corporate concerned. Some are guided by a policy similar to the Govt namely that VOs provide cheap labour. Some have problems in accepting obligations to respect, abide by and pay for long term obligations to staff like provident Fund and Gratuity. On the other hand, VOs do invest in staff with a view to keep them in the medium to long term and they have to abide by all the laws governing staff management.

These issues are not new. In the 80s and early 90s Myrada faced the same issues with some major donors who were Voluntary Organisations from abroad like Plan. It took many years of interaction and persuasion for them to change their policy to support Myrada which provides the support necessary to make their interventions accountable, effective and sustainable. As a result of these changes two of the Plans projects namely KD Kote and Dharmapuri did not close down as all the other Plan supported project did in other countries, but have continued to work for several years. They survived because Myrada insisted on investing in promoting strong institutions at every level. While Plan focused only on one child in the family, Myrada adopted a holistic approach which included income generating activities for the family so that it could afford to send all the children to school. Myrada also invested in building natural, social and human capital. As a result of this self-reliant approach, the Plan supported Projects had managed to build a common fund from the proceeds of the trainings they provided, the interest from which supported key staff. The SAGs and CMRCs emerged as independent self-reliant institutions and Myrada supported the transition after Plan exited until a new framework was put in place.

Myrada needs to participate in meetings organised by Corporates and encourage them to come to Myrada for a brief exposure to the Projects. They need to understand that VOs do not provide “cheap” labour – and that the staff are qualified and committed. They have to be paid salaries which will enable them to remain in the organisation without too much difficulty and self-sacrifice. They also have to understand that “impact” data, while necessary, is not enough to ensure sustainability. For example, concentrated efforts in a watershed may increase productivity and water storage significantly, but unless people’s institutions are able to manage the structures and continue the networks with supporting institutions (panchayat raj, technical, financial, training etc), the impact will not be sustainable. Hence the need to establish people’s institutions which can take the lead after the donor withdraws which are appropriate to the resource to be managed or objective to be achieved. This often taken longer than the three-year project period and requires a holistic approach in donor support.

On our side we will have to respond to the requirements of Corporates for tangible evidence of outcomes. Hence, we need to upgrade our staff skills in IT and other areas like assessment of water savings; we are also sluggish in making case studies and impact reports. For example, how do we assess the increase in water collection and percolation? Do we have a systematic procedure to assess soils and then take follow up action? Do we keep track of increases in incomes and in their diversity and impact on health and education? We need to partner with experts in these fields who can assist us ad hoc and to acquire these skills --but this has a cost and accordingly we have to budget for this in the proposal Perhaps we could ask the donor to provide these services directly by hiring qualified people as part of the monitoring process as it would improve efficiency and could be used as a training experience for others.

PART 6. INSTITUTIONS MANAGING THE LAST MILE. The importance of the Gram Sabha; social media networks have a role.

Myrada's experience shows that Programs which had the greatest impact and which have proved to be sustainable are those where the last mile is structured by the people and over which they have control; that is why it promoted SAGs, Watershed groups, CMRCs MEADOW, MASS etc. These are institutions which emerged from and are controlled by the stakeholders. Part 2 chapter 4 of "50 Years of Learning" entitled "The myrada network of financially self-reliant institutions" provides several examples of people's institutions which have managed the last mile successfully. Social media apps are also useful to create and maintain networks; though they alone cannot build institutions, they have a role where institutions do not exist as yet and can also play an important role in keeping the members of institutions alert to what is going on around them and to mobilise them for quick action to lobby publicly. For example, CMRC members could all be trained to use at least WhatsApp; the GS and GP members could also be trained to use social media networks especially the Gram Sabha; this would help to keep all the members informed and not only the president and office bearers. Photographs of meetings and of the agenda should be circulated to all the members, so that even those who did not attend are kept informed and motivated not only to attend in future but also to contribute suggestions regularly which are then included in the agenda.

A major hurdle in the government rural extension system is that the extension staff usually contacts the Gram Panchayat president. He/she does not meet other members or the other groups which Govt has promoted (like SAGs, Health and Sanitation committees, School Committees etc); neither does he/she interact with the Gram Sabha. There are no Govt. officials at the level of the GS, with whom the extension staff is comfortable to interact. The Govt extension staff have neither the experience or motivation to interact with people's institutions especially those of the marginalised; as a result, they are excluded. Most of these institutions including the GS and Water/sanitation/school committees are easily by-passed, since they do not meet regularly to discuss their problems and find solutions; as a result, they are not recognised as working bodies, and do not make space for themselves in public meetings. Since Myrada has chosen to support these groups which tend to be marginalised from Govt programs, **we need to ensure that they meet regularly –like a SAG- keep records of minutes and participate effectively at all stages in Govt sponsored programs. This immediate outcome of this suggestion is that our staff must organise meetings of the Gram Sabha as well as of these sub groups (and not only the SAGs). Incidentally our staff hardly attend a SAG meeting. This is now left to the Resource persons and the CRMCs. As a result, the staff is losing direct contact with people. It is time that they went out to meet other groups in the village. The meetings must be planned for and included in the project proposal.**

The current practice to establish a delivery system in rural extension programs does not work due to shortage of extension staff, their reluctance to visit the farmers, the huge network of extension required to cover 100 million farms, the lack of commitment from extension workers who are often engaged with their own private businesses like agents for agri inputs, the overload of work which many of them experience which results in them focusing only on programs which are given priority by their superiors, and above all the lack of accountability and incentives for success. The T & V (Training and visit) system of extension of the 50s, 60s and 70s shifted to the T & V (Touch and Vanish) system during the 80s and thereafter to the reliance on private surveys available on internet, national surveys (too general for local use), and even concocted data. T and V became Cand P (Cut and paste). The excessive reliance on IT which works well in a closed system like a Corporates or Govt Departments – the CEO of Infosys can communicate a message to lacs of employees by a touch of a button – has given Govt. the false confidence that the same would apply to agriculture and public services which are managed

by different delivery systems, usually operating in silos and often slow to translate instructions into a system for implementation not just for information. The overload of schemes on the DC and other officers at Block and Panchayat levels is another factor – the Village Panchayat secretary for example is responsible for all the programs/schemes in the GP. This often leaves large gaps in implementation and monitoring of several schemes, with the result that only those few schemes to which Govt gives short term priority (and funds) are focused on; even this is often done in a rush to meet political deadlines and usually without people's involvement as this takes time and extra money, neither of which is available. As I said earlier there are 950 central schemes and I am told over 70 schemes named Pradhanmantri etc but with only token allocations of funds. Is it surprising that the demand for direct transfer of funds to beneficiaries is growing?

It is becoming increasingly clear that unless people mobilise themselves and demand these services on a regular basis (and not just before the elections) and unless they continue to monitor them, short term political priorities will dominate with several negative results (poorer groups left out, increase in corruption, shoddy implementation of infrastructure, priority to programs which do not benefit all)

Which are the peoples' institutions which need to get involved in planning and in implementation and monitoring:

The first peoples' institution is the Gram Sabha. The GS is a participatory institution, not a representative one like the Gram Panchayat. Though it is part of the Panchayat stack, it is considered to be more of an informal peoples' institution. It is not given the authority to manage Government funds and personnel or to impose taxes. If it is a peoples' institution, it should set its own agenda and not wait for Government to set it. Govt. in turn should devote more resources/personnel to mobilising/training the Gram Sabhas to come up with their own rules and regulations and not prescribe them – even though Govt. does this with all good intentions. The SAGs did this; cannot the GS be mobilised and supported to do likewise? We need to ask why the GS cannot function like a formal institution which would require it to have regular meetings in a common place, maintain minutes of meetings and mobilise funds. Why cannot the GS take responsibility to oversee public sanitation, to manage the use of common places and resources, to monitor the performance of anganwadi workers and Ashas /health staff, teachers, and have a voice in the choice and the implementation of projects which are sanctioned by the GP?

According to the Karnataka Zilla Parishads, Taluk Panchayat Samitis, Mandal Panchayats and Nyaya Panchayats Act 1983 as well as the 73rd and 74th Amendments to the Constitution 1992-1993, the first indicator of progress is the performance of Gram Sabhas (and Ward Sabhas in Urban areas). These are the institutional mechanisms for people to come together to deliberate on issues affecting their lives. It is where prioritisation takes place based on local peoples' concerns.

However, a study conducted by GOK indicates that the Panchayat Act 2015 requires 10% participation of the total electorate or 100 persons for quorum to conduct Gram Sabha (which can have between 500 to 2500 members; however, on average only 39 to 58 participate. This is poor and far from being a participative event. The GS have been reduced to selecting beneficiaries for state and central schemes Though women and other marginalised sections are represented in the GP, they have little say in the proceedings. They have more opportunities at the GS since they have numbers and the platform is smaller. However, the GS hardly meets to discuss plans, much less to implement them, as the contractors for implementation are selected by the GP. Further the Gram Sabha and the groups below it like the Village health and sanitation Committees and School committees do not meet regularly like

the SAGs do. As a result, they are not recognised as independent bodies working on their own program and agenda.

This is unfortunate as the Govt has issued guidelines for these bodies especially for the Gran Sabha. The Karnataka Gram Swaraj and Panchayat Act **1993 as amended by Act No 44 of 2015 (w.e.f. 25-2-2016) clearly outlines the duties of the Gram Sabha**. They cover the management of local resources, raising funds, conduct of meetings, monitoring of service providers etc. **Extract of the Act is attached**. The only function that the GS has not been given is to collect taxes, but it can raise resources and contributions. I am attaching the extract here for the Myrada staff to realise the importance that is given to the GS.

But there is one Faultline. A genuine peoples' institution which is representative like the GS should decide on its own functions and formulate its own rules and regulations like our SAGs did. Since the GS has not done so, the Govt. has stepped in. Why should it agree to the Govt's order to meet 3-4 times a year? Why can it not decide to meet monthly? Why should it only discuss the functions given to it by the Govt? The Act gives broad guidelines which have to be applied to each situation. This application must be done by the GS at its meetings. For example, while the Act gives the GS power to conserve and maintain public property (gomala, pasture lands, tanks, tank beds, ground water, roads, bridges, mines) the GS should decide which of these requires urgent action and decide on rules to be observed and sanctions for disobedience. This requires regular meetings and bodies to be set up for supervision.

The same is true for other bodies below the GS related to health, education and sanitation among others. They too should meet regularly and build-up a separate identity which others recognise. Myrada has several examples of the important role played by peoples' institutions like the SAGs, CMRCs, MASS, MEADOW in managing their relative responsibility and in lobbying for their rightful place in the GS and even in the GP which has continued even though Myrada withdrew from actively supporting them.

The CMRCs in Myrada's projects cover several Gram Sabhas; the CMRCs can take the lead in mobilising the GS to function like a "formal body", even to have a committee with representation from all sub groups like SHGs, Watershed committees, etc. These measures would contribute towards making the people genuine stakeholders in all activities at village level. The GS would become a genuine powerhouse.

Can Myrada organise the Gram Sabhas to function as genuine people's institutions and to recognise the people's institutions below them like the SAGs (to empower the poorer sectors), watershed Committees (to manage micro watersheds and natural resources), and Sanitation and Education Committees to which all Govt. Line staff in these sectors should be accountable? Can this be done on a regular basis first in our project areas and then outside the project boundaries and even after the project ends? We include SAG meetings in our reports, but what about meetings with all these other groups including the GS? I suggest that Myrada's proposals and plans should include training and mobilising regular meetings for the Gram Sabha and for other groups in the village which are attended by our senior staff and representative of SAGs and other groups.

This approach/strategy is based on the theory that unless the base institutions in a democracy are participative and function well (have own resources, are transparent and accountable), none of the others institutions (which are representation like GP, ZP, etc))) will have a stable foundation in which all the stakeholders play an active role. Can the GS gradually function as a participative institution which takes control of all resources, staff and programs at village level? It will remain informal just as the SHGs

were – but our goal would be to gradually increase the management capacity of the GS, its resources and its accountability.

In fact, the objective of sustainability requires that there is equal opportunity and access to the use of natural resources, to health and educational institutions. This has more chances of being achieved if a people's institution like the GS controls the last mile. The GS members are interacting with local issues daily; they suffer when facilities are not maintained. Accountability also increases as the GS is in a better position to monitor local works. Furthermore, people's institutions below the GS like the SAGs and watershed committees are able to have a greater say in the GS (when compared to the GP) in the management of resources, institutions and staff and in increasing and sustaining the focus on the poor and excluded. If for example there are SAGs of women they are in a better position to lobby for women's rights at the local level and for better maintenance of water, sanitation, education and health services.

The GS can also manage NREGA through which it can mobilise more resources for infrastructure works. It is hoped that in course of time the GS will be allowed to raise resources (either as grants or through taxation) even though at present it cannot. After all someone may come along like Dr C. Rangarajan (who permitted the Banks to lend directly to SAGs though they were unregistered bodies but kept book of accounts and records of decisions) who may allow the GS to levy tax on certain assets and use of resources including public space which is shrinking even in villages. In Goa for example the local bodies in rural areas levy a tax on all vehicles parked overnight within their boundaries.

The opportunities to expand Govt sponsored programs to include VOs and Peoples Institutions are decreasing for reasons explained earlier. Some Govt institutions also are not receiving adequate funds; hence the pressure is on Govt to support their own institutions first. The budget of Sujala 3 shows this clearly. Myrada therefore has to build peoples institutions to lobby for their rights, to ensure that they too benefit from schemes which Govt. funds and implements. **Myrada needs to move from promoting participation of people, especially of the poor, to mobilising people to demand their right to participate in Govt programs. The SAGs and CMRCs have taken small steps in this direction in our projects at the level of the GSs and GPs. But more concerted intervention is required to mobilise the Gram Sabhas as well to make their demands more organised and focused as well as to spread this approach beyond our project boundaries with reduced project investment. We could also persuade the GS to support champions (both new and traditional) in agriculture, processing, innovation in education and health while we would provide them with a base in our projects.**

The GS is really the last mile. It has all the features of the last mile namely: localisation, and lateralisation and being close to the ground it is far more open to learning and listening. Solutions worked out at the GS level will be local, not one size fits all the GSs in a GP. There will be more collaboration laterally, silos will be broken. To promote this level of localisation Govt over 10 years ago launched the National e-Governance Plan envisaged to empower rural citizens by making various Govt services accessible via electronic media; access points were planned - called Common Service Centres run by village level entrepreneurs (VLEs) at the village and Gram Panchayat levels. These bricks and click centres were to act as one-stop digital outlets providing banking and financial services, mobile top ups, electricity payments, railway bookings-learning and e-commerce. To further enable mass transactions AePS (Aadhaar enabled Payment System) was launched whereby citizens can perform simple banking transactions like deposit and withdrawal through their biometric ID and Aadhaar number at any of AePSkendras. Myrada can play a major role here in ensuring that these Kendras are functioning. This is important since it is projected that by 2050 more than half the population will still be rural despite rising urbanisation.

In fact, the CMRCs promoted by Myrada have led the way. They perform several services for the SAGs and levy a small fee. But one CMRC covers several GPs and GSs. I cannot see the Govt setting up these centres at the GS. This gap will have to be filled by VOs and the Corporate Sector donors with a plan to make the GS self-supporting within a given period.

Aloysius P. Fernandez
Member secretary, MYRADA
Dec 2018 –Jan 2019

Annexure 1 :

Guidelines for promoting FPOs a bureaucratic maze

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The current guidelines may not inspire confidence among farmers on entering into collective enterprises.

The Small Farmers Agri-business Consortium (SFAC) was tasked with the formation of FPCs in 2010-11 under various schemes of MoA .

By T Nanda Kumar

Prime minister [Narendra Modi](#), in his address commemorating 75 years of the UN's FAO, reiterated India's commitment to enhance its farmers' income. He also reiterated the resolve to create 10,000 additional Farmer Producer Organisations (FPOs), one of the main pillars in the proposed transformation of the agri-economy. Will his futuristic vision result in creation of successful farmer-owned enterprises like Amul?

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The ministry of agriculture (MoA) responded quickly to this decision, with comprehensive Operational Guidelines (available on their website) on creating and supporting 10,000 FPOs by 2023-24. Will the approach outlined here help achieve the objective of setting up viable and vibrant business organisations of farmers?

Let me start with a brief history. The Companies Act 1956 was amended in 2002 to enable registration of producer companies (part IX A of the Act). The provision to register producer companies was retained in the new Act of 2013, with a caveat under Section 465 stating that Part IXA of the Act will remain till a special Act is enacted for producer companies. The message seemed to be 'you are not in the same league, but you can exist', and therein lies a

problem. The Small Farmers Agri-business Consortium (SFAC) was tasked with the formation of FPCs in 2010-11 under various schemes of MoA . NABARD was tasked with the formation of 2,000 FPOs in 2014-15 with a budgetary support of Rs 200 crore. These efforts started bearing fruit from 2014.

A comprehensive study by Neti, Govil and Rao (Azim Premji University) throws up excellent data and offers valuable insights. According to this, 7,374 FPCs have been registered till 2019, of which 6,926 are active (average number of members is 582). While 445 FPCs were registered till 2013, 6,000 were registered during 2016-19. As usual, some regions grew faster. Four states, Maharashtra, Madhya Pradesh, Karnataka and Tamil Nadu, account for about 50% of FPCs. The top 20 companies accounting for more than half of the paid-up capital are primarily in dairy and coconut; the largest, Visakha Dairy, transformed from a co-operative. The second, Sahyadri, is primarily in fruits.

The government plans to add 10,000 FPOs (most of them FPCs), with financial and technical support amounting to Rs 4,496 crore during 2021-24 and with a possible addition of another Rs 2,369 crore during 2025-28. The process is detailed in the guidelines. Let us take a look at the main elements of the guidelines.

There are three designated implementation agencies (IAs): SFAC, NCDC and NABARD. SFAC is for Chapter IX Producer Companies, NCDC for co-ops and NABARD for both. Of these, co-operatives do not seem to stand a chance (in spite of the 97th amendment to the Constitution) since the guidelines state 'co-operatives are to be insulated from all kinds of interference... with suitable provisions in bye-laws' (emphasis added) to qualify. It is well known that 'interference' in co-ops come from the state government. How will it be possible for a set of farmers to insulate themselves from government (including bureaucratic) interference!

The scheme's central theme is a 'production-cluster based approach', but has multiple objectives, inter alia, 'one district, one product' and 15% FPOs in aspirational districts. Identification of the 'produce-cluster area' is to be done with 'inputs' from agencies at the district level to the national level and approved at fairly high levels in the government.

The model appears to be this: There will be three implementing agencies, namely, SFAC, NCDC and NABARD, and two expert support organisations, viz. a National Project Management Agency (NPMA) to be set up in SFAC and a number of cluster-based business

organisations (CBBOs) under this to support FPOs. These, in my reckoning, are consultants. Then, there are empowered committees to approve projects and sanction money. These are: National-level Project Management Advisory & Fund Sanctioning Committee (N-PMAFSC), state level consultative committee (SLCC) and district level monitoring committee (D-MC). In addition, there are other 'inter and intra' committees. Interestingly, one of the functions of the national committee is to 'allocate produce clusters... to implementing agencies for formation and promotion of FPOs'. A clear command and control structure, with top-down planning!

What about farmers? Three-hundred or more farmers (less in North East and hilly areas) can form an FPO to qualify for assistance. Financial grants to the tune of `18 lakh per FPO for managerial support and equity grant assistance of Rs 2,000 per farmer not exceeding Rs 15 lakh per FPO are provided. In addition, they can get technical assistance, training support, etc. They will also have access to the Credit Guarantee Fund. However, prior approvals are needed at every step!

My experience tells me that FPOs succeed when producers with a common economic interest organise themselves to achieve economies of scale. The government has to be an enabler and create opportunities for entrepreneurship and innovation. True, FPOs need help along the way, from registration to market access. Most FPOs have struggled with marketing (or market linkage), compliance with company law provisions and access to finance. Successful FPOs have used their strength in production and large membership to access the markets either directly or through major market players (e.g., Mother Dairy) and have adopted a 'fork to farm' model. If the idea of an FPO is to give the farmers an advantage in the market and better value capture, confining them to pre-defined clusters identified by CBBOs and keeping them small is a bad start.

The current set of guidelines may not inspire confidence among the farmers to venture into a collective entrepreneurial mode. They may find it hard to negotiate the bureaucratic maze. They may be better off with a larger number of farmers and get connected to the nearest market or to large market players!

The way forward? Give them more operational freedom, and set up an enabling ecosystem!

The author is Former secretary, food & agriculture, Gol, & former chairman, NDDB