

An Economic Analysis of Rural Livelihood Programs of Gujarat: some empirical evidences and challenges to policy interventions

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Abstract :

The core belief of rural livelihood programs is that the poor have innate capabilities and a strong desire to come out of poverty. According to World Bank report, India remains home to the largest number of poor in the world with whooping 21 percent of its rural population living below global poverty line. Like many other states of India, Gujarat is essentially an agricultural state and almost 75 percent of its population lives in the rural area and about 63 percent of the labor force are engaged in the agricultural sector. But unlike other states, Gujarat is lagging behind to achieve significant reduction in rural poverty levels. Certainly there is a growth in the state but somehow it is not trickling down. Due to rural poverty Gujarat remains one of the malnourished states of the country despite registering arguably higher growth. Gujarat's economy is growing at rapid pace but more than one fourth of its rural population found to be below poverty line due to fluctuations in employment, shrinking employment opportunities, and low wage rates. The unemployment rates have been rising and hover around 8 to 10 per cent. Towards reducing the poverty by providing employment, Government of Gujarat has been introducing a number of wage employment programs. However, owing to the top-down approach of implementation and lack of community participation, these programs have not performed up to the expectations. This paper analyzes various programs aimed to rural livelihood and welfare of rural masses in Gujarat. To adequately address the objectives of the study, a mixed method (i.e. triangulation of the most appropriate qualitative and quantitative methods) approach was used to triangulate information to assess pro-poor policy interventions like World Bank aided Deen Dayal Antoyadaya Yojna under National Rural Livelihood Mission (NRLM), Gujarat Livelihood Promotion Company (GLPC) supported Mission Mangalam and central government's flagship Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). The effectiveness, efficiency, sustainability, and equity of the impacts of these pro-poor policies, strategies, and interventions were assessed from the workings and implementation of the policies and strategies, to provide evidence-based information that is credible, reliable, and useful. Both qualitative and quantitative data were collected through desktop review of relevant policy documents, policy implementation process,

project documents, and progress reports. Information thus generated was synthesized to identify key issues to provide concrete recommendations for elaboration and revision of relevant policies.

JEL Codes : J01, J08, J18, J43, J24

Keywords :

MGNREGS, Rural development , livelihood, Empowerment , Unemployment

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