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Impact On Livelihood And Development Of Marginalized Communities In India Amidst New Economic Reforms

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Abstract: The present paper examines the effects of new economic reforms on the livelihoods and development of marginalized groups in India. Marginality addresses the socio-cultural and human issues faced by individuals from diverse segments of society, including Scheduled Castes, Scheduled Tribes, impoverished farmers, laborers, artisans, and others. Agriculture serves as a fundamental component of the Indian economy, with many marginalized groups in rural areas relying on it as their traditional means of sustainable livelihood. The livelihood project serves as a strategic initiative aimed at empowering individuals to enhance their economic value, optimize production systems, and promote social justice.

The policies of New Economic Reforms (NER, 1991) have multiple dimensions that have affected vulnerable communities both favorably and unfavorably. Since the emergence of LPG, there has been an increase in GDP growth and a favorable impact on various factors. These measures have also resulted in the excessive exploitation of natural resources in rural India, upon which the marginalized masses depend. Finally, this paper includes necessary recommendations for future research work.

***Index Terms* – New economic reforms, marginalised groups, liberalization, privatization, globalization, sustainable livelihood**

I. Introduction

New Economic Policy (NEP) is related to economic reforms. Its aim is to bring about reforms in production patterns, changes in ownership, management and efficiency, to obtain new technology, capital resources and to use full capacity expeditiously and in total. The New Economic Policy was devised and implemented for the first time in 1985 during the period of Prime Minister Rajiv Gandhi and the second wave of NEP reforms came in 1991 during the period of P.V. Narasimha Rao's government. The main reason to start the new economic policy was gulf crisis, heavy fiscal debts, inflation and unfavourable BOP in India. The three important components of NEP were Liberalisation, Privatisation and Globalisation of Indian economy which includes numerous measures to revive the economy from the crisis of 1990.

This paper explores the varied effects of the NEP policy aimed at liberalizing the Indian economy and promoting globalization, particularly on marginalized communities. It investigates the implications of the NEP for the livelihoods and development of impoverished and marginalized groups in Indian society, focusing specifically on the impacts on tribals, dalits, and women within the context of NEP reforms. The policies include standard structural adjustment measures that have led to reduced livelihoods and job opportunities for vulnerable groups in the formal sector, displacement, increased urbanization, and heightened poverty. While certain social classes may benefit from a policy, it inevitably negatively affects other groups in society, especially marginalized communities.

Marginalisation and social exclusion of individuals and groups is a reality in virtually every society and in every period of human history. In the second part of the 20th century, national governments, transnational bodies, and institutions (UN/EU) paid more and more attention to the improvement of the situation of marginalised and excluded groups. Civil society, self-organisations, social researchers and NGO's played a crucial role in addressing the issue of social exclusion and in advocating sustainable changes.

Marginalisation is a complex phenomenon in India. The women, children, scheduled castes (SC), and scheduled tribes (ST), persons with disability, migrants and aged are regarded as marginalised or vulnerable groups. These people are socially, economically, politically and legally ignored and excluded in Indian society. These groups are also marginalised on the basis of social, cultural, ethnic, economic, caste, creed, class and other factors.

Economic reforms in the past decades have led to remarkable economic growth (from 1.2 percent in 1992-93 to 8 percent by 2001) and a rise in per capita income has benefited diverse regions and social groups differently. Out of many, there are a few factors which have significantly improved the livelihood and the wellbeing of marginalised groups (Institute of Economic Growth, IEG Report, 2018). In the name of modernisation and models of development, huge infrastructure building and urbanization are pushing the marginalised communities further behind their subsistence levels. Construction of dams, bridges, highways, railway tracks, smart cities, SEZs, LSI, shopping complexes, shipping, and machines, overconsumption of manufactured goods are eliminating the traditional sources of livelihoods. The cultivable land is shrinking day by day due to deforestation and other construction activities, posing big challenges to the lives of tribal people. Big industries viz. refineries, power plants and industrial wastes poured to the sea pose problems to the sustainable livelihood of the fishermen. Huge fisher folks, marginalised farmers and labourers, artisans, tribal people are forced to migrate from their original habitats to the urban areas where they feel themselves unfit and face a lot of problems to their lives. Unmindful exploitation of natural resources and growth models of industries have further widened the gap between advantageous groups and the marginalised groups of society.

Literature review

India, the second fastest growing economy in the world, is also known for the vast majority of people living in acute poverty and impoverishment. India is still home to more poor people than the whole of Sub-Saharan Africa (455 million in 2005). However, poverty measurements are not the sole criterion to understand the hurdles which restrict inclusive development. On most of the other social indicators, multiple forms of inequalities still persist in India. For example, more than one third of women are anemic in India, 42 percent of children are malnourished and the share of Scheduled Castes/Scheduled Tribes and Religious Minorities in formal and informal sector employments is very low. In addition, the government outlay for SC,ST and OBC welfare has declined from 8 percent in 1990-91 to 6.7 percent in 1994-95. Thus, Dalits too are victims of globalisation in both the economic and the social sense. The study by Thakur & Thakur (2008) explores how the Dalits were being threatened by the process of globalisation. With the advent of the market economy, it is geared to meet the consumerist aspirations of the business and other classes and the poor are getting marginalized more and more. Dalits did not get any entrepreneurial space in the market structure. Anand Teltumbde's article on "Impact of New Economic Reforms on Dalits," points out that Indian reforms were essentially 'crisis-driven' and not 'strategy-driven' when they were adopted.

The study examines the adverse impact of globalization on the tribal population from multiple perspectives based on certain case-studies. The paper mentions that development projects globally displace a significant number of people annually, with a substantial portion of these displacements occurring in India, affecting tribal populations disproportionately. This displacement leads to economic exploitation and environmental degradation in tribal-inhabited regions due to excessive resource extraction. Furthermore, the article suggests that the process of rehabilitation for project-affected persons has been inadequate. The reforms associated with globalization have also impacted the culture, languages, and lifestyles of indigenous communities in India. The researcher argue that market forces, driven by neo-liberal capitalism and a nexus between the state and capitalists, have often prioritized wealth creation at the cost of the livelihood and security of tribal people (Jaysawal & Saha, 2014)

According to Frankenberg (1996), Livelihood security refers to "adequate and sustainable access to income and other resources to enable households to meet basic needs". Livelihood is a set of economic activities, involving self-employment or wage-employment by using one's endowments (human and material) to generate adequate resources (cash and non-cash) for meeting the requirements of self and the household, usually carried out repeatedly and as such become a way of life. A sustainable livelihood is, when it maintains or enhances the local and global assets on which livelihoods depend, and has net beneficial effects on other livelihoods. Rural livelihood in India is complex because of several activities and strategies involved in generating it. In rural India, agriculture is considered as an integral part of rural livelihood. The terms 'livelihood, poverty, and development' have different meanings in different societies and people. Development implies a better quality of life and enhancement of opportunities and better access to assets and services to marginal communities, particularly the tribal people, women and other marginalised groups.

Objectives of the study

The general objective of the paper is to develop and study the impact of NEP reforms. Specifically, this study aims at:

- To analyse the impact of economic reforms on tribal people
- To assess the impact of economic reforms on dalits
- To assess the impact of reforms on the women

II. RESEARCH METHODOLOGY

The research is based on descriptive study which is done by reviewing the secondary data collected from various sources like officially published statistics available from different publications including Economic Survey of India; Reports of CSO, archives of government records and various other published reports, journals, books, articles, websites and official records. The present paper focused on studying the impacts of economic reforms, specifically on three marginalized groups of India.

III. RESULTS AND DISCUSSION

Impact on Tribal people and Poor farmers

More than half of India's population of over 1 billion people lives in rural areas and depends on climate-sensitive sectors like agriculture, fisheries and forestry for their livelihoods. Natural resources and the environment are already under pressure due to rapid urbanization, industrialization and economic development as the outcome of New Economic Policy (NEP) reforms. LPG model of development in India is virtually depriving the tribal people and other agriculture dependent poor population of their traditional means of sustainable livelihood by promoting the unregulated growth of mineral-based industries in the tribal regions of India. In the name of modernization and the country's economic development, the elites in India are taking over the life sustaining resources of the poor and pushing them into a further marginalised state of living as a result of displacing them from their land and homes.

According to the World Bank, development projects every year involuntarily displace one million people in the developing countries from their land and homes (World Bank, 1994). Between 1951 and 1990 around 21.3 million persons were displaced by development projects in India. Out of which 8.54 million (40 per cent) were tribal or indigenous people and only 2.12 million (24.8 per cent) were resettled (Government of India, 2002). The most recent estimates that, the total number of people displaced during the last 60 years has reached almost 60 million (Mathur,2008). In recent years this displacement has become more intensified due to the conditions created by globalisation and economic liberalisation, which favour the growth of many mineral based industries set up by the MNCs and large Indian corporate houses (ICHs) in the mineral rich tribal regions of the country. The reform process has affected the indigenous communities of India, particularly their culture, languages and standard of living. In the name of economic development, the indigenous people are involuntarily displaced from their lands and homes without any sincere efforts being made for their proper rehabilitation and integration into the modern development process. The acquisition of land for large industries, mines or special economic zones has given rise to the livelihood insecurity of the poor and less privileged people. MNCs consumed large amount of natural resources to feed the world markets which leads to faster depletion of these resources and creating a resource crisis for tribal communities along with this foreign investors set up industries in developed cities and towns where infrastructural facilities are available and ignore the backward regions which leads to regional imbalance further affected the indigenous communities belong to backward regions.

Economic reforms and Dalits

Independent India was confronted with the social and economic backwardness of some sections of its people among several other problems. Dalits known,as scheduled castes under Indian constitution inclusive of all the oppressed and exploited sections of society (Thakur & Thakur,2008). According to the 1991 census, there were 138 million persons belonging to dalit communities, constituting 51.8% of total population of the country. A vast majority of dalits i.e, 84 percent live in rural areas and occupationally they are agricultural labourers, small and marginal farmers, workers in informal sectors. In the context of economic reforms with unlimited market and competition, the potential for representation of dalit, is widely ushered and the reservation policies for the job have created the new opportunities for them and has non-bloody competition during 1995-2003 between dalits and ruling class, dalits and middle class OBC's are now entering into the government sectors. However, the recent process of retreat of the state has begun to affect them adversely. Most of the first-generation educated dalits seeking employment don't have the capital and skills to enter and survive in the globalised competitive market. Such a state of affairs leads to frustration among middle class dalits. On the other side, privatisation leads to contraction of the public sector which has restrict the scope of the reservation policies and resulted in the erosion of job opportunities for the dalits. The level of employment for dalits has proportionately not increased due to the wrong implementation of the policies of economic reforms (Gupta,1994).

The organised sector as a whole is a great failure in contributing to employment generation, within a period of one decade the estimated employment in the organised public and private sectors rose from 2673 million in 1991 to 32.37 million in 2001, i.e., by a mere 5.64 million. The MNCs that are entering into Indian economy are most likely to adopt capital intensive technique of production as they are increasingly catering to the conception requirements of the employment prospects of dalits because of slackness in the strict enforcement of reservation policies. Not only it is the phenomenon in manufacturing sector, but also the banking, insurance, and telecommunication services are being computerised, again leading to a trade off between efficiency and employment.

TABLE :1

Number of Dalit employees in Government services and in Public sector

Year	Govt. Services	Public Sector
1991	6,28,000	4,32,000
1992	6,04,000	Data not available
2003	6,90,250	3,98,000

Source: CSO, Ministry of Planning, GOI

The table shows that the number of dalit employees declined in govt. services and in public sector in post-reform period. Thus, the burden of NEP has fallen most heavily upon the Dalits.

TABLE : 2

Annual Growth of Employment in India in the organised sector 1983-2004 (in percentage)

Sector	1983-1994	1994-2004
Public sector	1.53	-0.80
Private sector	0.44	0.61
Total organized	1.20	-0.38

Source: GOI, Economic survey 2006-2007

The table analysis that during the phase of 1983-1994, the annual growth of employment in the organised sector was 1.20 percent and during the post-reform period from 1994-2004, the organised sector shows the negative growth of employment of 0.38 percent but the private sector shows the positive and comparatively more employment growth annually.

Dalits are mostly agricultural workers. About 75 percent of SC workers and about 87 percent of ST workers are agricultural workers, while about 60 percent of non-SC/ST categories are agricultural workers as per the 1991 census. The unequal distribution of land is also associated with caste as land is mostly in the hands of upper castes, to the exclusion of Dalits and other backward castes. During 1990-91 to 1995-96, the share of public investment in total investment in agriculture went down from 25 percent to 20.8 percent. Dalits who are mostly landless labourers, are adversely affected due to the low growth rate of agricultural production and also due to shift in the production from food crops to non-food crops. It can be evident from the given table.

TABLE : 3

Index of Food and Non-food Production (1981-82=100)

Period	Index of food production	Index of Non-food production
1990-91	143.7	156.3
1995-96	150.4	187.7

Source : CSO, Ministry of Planning, GOI

The table indicates that the index of non-food production increased at a faster rate than food production index. It is also to be noted, that the food prices were raising at a faster rate than general prices. As a result, dalits were more adversely affected as most of them are agricultural labourers. The position of dalits deteriorated further under liberalisation, due to removal of land ceilings and induction of the national or transnational corporations into agricultural sector.

The New Policy Framework for Education Reform aims to promote the privatization and commercialization of higher education. It foresees an increase in Foreign Direct Investment (FDI) in this sector while reducing government funding for universities, with the goal of achieving economic self-sufficiency. Consequently, higher education is becoming fully market-oriented. The commercial mindset introduced into education through globalization has deepened the divide between those who have resources and those who do not. As the opportunity cost of schooling rises, many dalits are discouraged from pursuing education, leading to a growing number of dropouts and creating significant challenges for them in the job market (Thakur & Thakur 2008).

The era of globalisation has been characterised by a greater increase in capital mobility than labour mobility. Some economists have argued that the rights of capital have been strengthened relative to the rights of labour. Due to adoption of economic reform policy Dalits or weaker sections are facing difficulty in earning their livelihood. A large number of downtrodden people of Bihar, Jharkhand, Orissa, West Bengal and UP have been badly affected due to joblessness. Their purchasing power has come down sharply and have negative cumulative effect. The economy of nearby rural tribal areas was shattered due to closure of industrial units, which is a fallout of reforms.

Globalisation,Women and Gender equality

According to 2017 analysis of demographic data, India will continue to have the worst sex ratio in south Asia even in 2050.

TABLE : 4

Sex ratio in India

Year	Sex ratio per 1000 males
1951	946
1961	941
1971	930
1981	934
1991	927
2001	933

Source: Census of India

As depicted in the table, India witnessed continued decline in sex ratio, In 1991, it became the lowest in the history of census, i.e. 927 women per thousand men. Again, in the next census, the sex ratio has raised to 933.

The 918 girls for 1000 boys' ratio (2011) have urged the government to take action in the form of 'beti bachao, beti padhao' programme to provide survival, safety & education to the girl child. It can diminish countries ability to compete internationally – particularly for countries with export potential in goods and services with high female employment, moreover, gender inequality can also hurt country's international standing. All the factors strengthen the incentives for policy action towards gender equality around the world. Trade openness, Greater access and the diffusion of new information and communication technologies have translated into more jobs and stronger connections to markets for many women, increasing their access to economic opportunities and possibly affecting attitude and behaviours in other parts (Chibber B.2002).

As the result of Globalisation the nation's exports has increased and export sectors involve the much higher wages in comparison to other sectors of the economy and in many cases women get higher wages than men in formal industrial sectors. Thus, globalisation has increase average wages of women, also the greater fraction of wages goes to women. With globalisation, women's employment opportunities have enlarged, and now they are also contributing in family expenses which support the creation of new resources and raise the level of income of family. Along with increase in family income, with the help of globalisation, social choices of women has improved.

While talking about impact of globalisation on women, we cannot ignore the impact of service sector. At present time service sector is equally important to industrial sector. Some service sectors like communication & information technology are achieving the same progress achieved by industrial sector. By working in informal sector, specially small business is considered the most important income source for the poor women (Dr. Hooda Sobhy). In some of the fastest growing service sectors, demand for female employment is increasing like data processing sector, industrial export sector, airlines, railways, banks and insurance companies.

In developed countries due to expansion in the service sector, women get plenty of quality work. Multinational companies offer job without discriminating between men and women because they work in competitive environment and choose the best employees regardless of their gender. It motivates more women to get the jobs. Globalisation has opened up many ways for men and women in India. As India was a restricted economy before 1991. After the implementation of liberalisation, privatisation and globalisation policy reforms, many opportunities in the form of new jobs are available for women. With globalisation women are getting higher wages, which raises self-confidence and independency among them. Globalisation has the power to uproot the traditional views towards women so they can take an equal stance in society. As India is a agriculturist country, women get many opportunities to increase their income level in agriculture sector. Women's ratio in agriculture work is more than as compared to men. Not only in agriculture sector, women are getting benefits from industrial sector and service sector too. After the globalisation has emerged, it has increased the living standard of people and specially for women (Chibber B,2002).

TABLE : 5

Work participation rates by sex (1991 to 2001) (In percent)

Census	T/R/U	Female	Male	Person
1991	Total	22.3	51.6	37.5
	Rural	26.8	52.6	40.1
	Urban	9.2	48.9	30.2
2001	Total	25.7	51.9	39.3
	Rural	31.0	52.4	42.0
	Urban	11.6	50.9	32.2

Source: Census of India

The given table gives the statistics regarding the comparative work participation rate of female and male post-reform period. It shows the increasing trend of both male and female, though the female work participation rate has increased from 22.3 percent in 1991 to 25.7 percent in 2001 as seen in the table, it is still much lower than the male work participation rate in both urban and rural areas.

Withdrawal of government regulations are expected to create a favourable atmosphere for the private organisations to take decisions freely and to utilize the resources efficiently so as to maximize the quantum of output. This liberalisation policy has resulted in the change in the status of women in respect of education, health and employment.

Literacy rate of women in 1951, was 8.56 percent and after four decades in 1991 it has increased to 39.29 percent. Further, in 1993-94 dropout rate is relatively higher among female children. Withdrawal of government from education made the educational institutions commercialised as a result it is inaccessible to common man in general and women in particular. Same is the case with health care facilities, liberalisation led to increase in the number private hospitals and consequently, disease diagnosis itself is becoming expensive. Deterioration in the health facilities make the women's lives more critical. Similarly, The implementation of liberalisation policies lead to continuous decline in the employment opportunities specially in the organised sector as a result they compelled to depend upon informal sector where women are exploited in many respects. Decline in educational opportunities naturally prevents women to enter into better jobs. Thus, the liberalisation process clearly move in the opposite direction in the attainment of women empowerment (Chibber B,2002).

Suggestion & Recommendation

Despite some beneficial developments brought about by economic reforms and some progress in some areas, the standard of living for marginalized communities has not increased. In order to promote the inclusive and sustainable development of the country, efforts should be made to better the position of the tribal community, dalits, women, and marginalized laborers.

Policies that enhance the ownership of capital assets that generate income (such as agricultural land and non-land assets), employment, human resources, and the prevention of discrimination must be prioritized in order to guarantee equitable participation of the marginalized group in both the public and private sectors.

The planned State intervention to ensure fair access and participation in social and economic development in the country is necessary for the vast majority of the discriminated groups.

There is a need to review and strengthen employment guarantee schemes both in rural and urban areas and also improve the employment opportunities in public and private sectors. This will serve the dual purpose of reducing poverty and ensuring economic growth through improvement in the stock of capital assets and infrastructure.

The government should reframe the New Education Policy and develop major programmes for strengthening the public education system in villages and cities for the welfare of various section of the society. There is a necessity to reallocate government resources for education and vocational training. Thus, the government should develop an affordable, uniform and better quality public education system up to the university level.

Conclusion

In nutshell, the reform policies comprising industrial and trade policy, fiscal and monetary policy introduced in 1991 have left a mixed impact on the Indian economy. The main features of NEP reforms were to liberalize the industry, trade and business ventures, privatisation and shifting the emphasis from public to private sector and to integrate the domestic economic with the world economy for gaining the benefits of the specialisation and free flow of capital, human and other resources across the nations.

Although economic reforms have undoubtedly accelerated economic growth, the poorer segments of society have seen increases in unemployment and poverty. The LPG (liberalization, privatization, and globalization) model of development has deepened the divide between the majority and the underprivileged. The type of occupations developed in today's modern, globalized economy require comparatively more technically skilled workers, who are not found among Dalits or other disadvantaged groups because of their low educational and economic standing. Due to the growing importance of MNCs (modernisation and technological upgradation) and contracting public sectors, marginalised groups are not getting the benefits of reservation and government’s protectionist policy. High technology based development minimizes the employment of human labour and puts a strain on natural resources does not serve the interests of the poor and marginalized groups. Dalits were affected due to low rate of growth of agriculture production and thus the reform period also resulted into the fall in area under food grain cultivation, and during the same period land reforms have openly been opposed.

Whereas on the side of women, many opportunities in the form of new jobs are available and with the advent of globalization women are getting higher wages, which raises their self-confidence and independency resulted into improvement in social choices and living standard. On the negative side, Negatively, during the first year of the NEP Reforms, India's sex ratio was the lowest in the country's census history, and throughout the same decade, women's employment participation was significantly lower than men's. Due to economic changes, the public sector has shrunk, which has resulted in the loss of many jobs for women and men from marginalized groups. Therefore, further government action is required. Therefore, new and better policy reforms would be required to lower insecurity and improve sustainable sources of income for the weaker groups and the many Dalits who are living in poverty and hardship.

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