

Investing in People

to reduce inequalities and ensure access to basic needs

India is one of the leaders in emerging markets in the world, with its GDP growing at 7.1% during 2016-17 over 2015-16. (The Economic Times, 2017) The Indian economy holds a major responsibility in meeting the development needs of its billion-plus population. On one hand, India is welcoming a trend of growth and development; while on the other hand, its population is growing, the standard of living is increasing only for a certain segment of people, environmental challenges are becoming evident, and access to resources is increasingly becoming inequitable. In order to make a transition towards a more just and sustainable society with a greener economy, India must invest in its people to ensure that they have equitable access to natural and financial resources or capital. This can be achieved if the government and policy makers invest in education, skill development, training and capacity building of its citizens.

Madhya Pradesh and its Status of Human Development

The population of Madhya Pradesh (MP) contributes to roughly 6% of the total population of India. It is among the fastest growing states in the country, with its economy primarily based on agriculture, along with forest products, industries, mineral resources, and cottage industry sectors. The Gross State Domestic Product (GSDP) of MP at current prices for 2016-17 is estimated to be INR 7,13,676 crores. This is 18% higher than the revised estimate for 2015-16. (Madhya Pradesh Budget Analysis 2016-17)

1. **Education:** MP stands 28th in the country with its literacy rate of 70.6%, with male and female literacy rates showing a 20% point disparity. (Census, 2011) Further deprivations are seen in the Scheduled Caste (SC) and Scheduled Tribe (ST) populations, with only 50.85% and 34.40% of each, respectively, being literate. In 2012-13, the Gross Enrollment Ratio for MP was 67%. This ratio has significantly increased to 83.4% in 2013-14. The annual dropout rate was 13.6, ranging in the age group of 11-14 years, may be due to the involvement of children in labour work. (State Education Report - MP, 2013)
2. **Employment:** MP ranks 21st amongst the states in India, with an unemployment rate of 43 (per 1000) for 2015-16, while the national average stands at 50. (Fifth Annual Employment-Unemployment Survey Report, 2015-16) This shows that MP is lacking in terms of employment to be provided. In 2012, out of 12,000 people placed through employment exchange, only 5% of these were women, while only 9% and 10% were SCs and STs, respectively. (Labour and Employment Statistics in MP, 2013) Workforce Participation Rate for Madhya Pradesh in 2015-16 was 44.8%, much lower than 59.2% of 2013-14. Note that in 2015-16, the national average stood at 50.5%. (Madhya Pradesh Budget Analysis 2016-17)
3. **Basic Needs:** With a substantial proportion of population below the poverty line (37.43%), the state has been increasing its expenditure in the social sector, from 7.6% of GSDP in FY 2014-15 to 10% in FY 2015-16. 40% of the habitations in the state do not get adequate supply of water. About 48% households get water from hand pumps, 36% get water from dug wells, and 11% get piped water. Only 9% and 19% of the households in rural areas of the state have private latrines and are connected with waste water drainage, respectively. According to the Government of India's Central Electricity Authority, 97.2% of the villages in MP were electrified by the end of 2013. Some of the darkest districts include the large tribal population of the state.

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Government Initiatives in Madhya Pradesh to Encourage Investment in People

- *Pradhan Mantri Fasal Bima Yojana*, launched in February 2016 in Madhya Pradesh, provides insurance coverage and financial support to farmers in the event of crop failure.
- In Madhya Pradesh Budget Analysis report, INR 649 crores is earmarked to be spent in the coming year under *Rashtriya Madhyamik Shiksha Abhiyan*, which aims to enhance quality and access to secondary education.
- 120 high school and higher secondary school buildings are proposed to be built by 2018.
- *E-Ladli Lakshmi Yojana* has been announced, with an allocation of INR 778 Crore in FY 2015-16 to encourage education of girls. More than 23 lakh girls have benefitted from the 'Ladli Lakshmi Yojana'.
- *Madhya Pradesh Mukhyamantri Bhavantar Bhugtan Yojana* will be implemented during 2017-18 in the state, which will provide encouragement by offering beneficial prices in return of crop to the farmers and, thus, act as a measure towards preventing farmer suicides.
- *Madhya Pradesh Samadhan Yojana* has been set up in order to listen to the complaints of people at large and take up steps to resolve the issues.

Private Initiatives in Madhya Pradesh to Encourage Investment in People

The private sector gives priority to food processing, IT and textiles, which not only contribute to the growth of the state, but also ensure jobs to people. In recent years, power plant worth INR 6,000 crores has provided jobs to about 200 people. Moreover, up till the year 2016, Aditya Birla Group has invested INR 30,000 crores, generating 25,000 jobs. In the IT sector, Idea Cellular, which was the first to introduce wireless broadband services in Madhya Pradesh, has given entrepreneurial opportunities to some 2,300 distributors and 1.45 lakh retailers in the state.

Way Forward

Investing in people in Madhya Pradesh is important to ensure prosperous societies with increased decision making power, access to opportunities and a better quality of life. Therefore, it becomes important for the government, businesses as well as civil society groups to ensure economic resilience, newer and local opportunities for business and education, as well as guaranteed rights over natural resources. The key questions to steer the discussion of this round table towards better solutions and collaborations for increased investment in people will be:

- What are the current challenges being faced by MP with respect to the education, skilling and employment of its people? What roles can the government, businesses and civil society groups play in order to find solutions?
- What are the barriers preventing people from access to natural resources, forest based livelihoods and rights to natural resources? As solutions, what kinds of changes need to be ensured at the policy or practice level?
- What are the challenges currently being faced by the marginalised groups of population (women, SC/ST), impeding their socio-economic development and ecological rights?
- What kind of local solutions can be collaboratively arrived at, between the people, government and businesses, to ensure the prosperity of all?