

Weekly Livelihoods Update

15 May 2018

+ Mudra Loan Scheme

- Mudra loans worth Rs 2,53,677.10 crore to 4.81 crore beneficiaries were given in 2017-18, which translates into average loan size of Rs 52,700, an amount just too small to finance any scalable business model with employment generation potential, say experts.
- Lending rose from Rs 1,32,954 crore in 2015-16 to Rs 2,46,437 crore in 2017-18 – an increase of over 85% .
- The number of larger-sized loans – of more than Rs 5 lakh – that can create real jobs are just a tiny percentage, or 1.3%, of total loans disbursed under the scheme, reveals an RTI query .
- The balance loans were in sizes of less than Rs 50,000 and of between Rs 50,000 and Rs 5 lakh.
- Specifically, Banks and MFIs account for roughly 65% and 35% of lending under the Mudra scheme. But there is a catch – most self-employed people may not have full-time work and may be actually underemployed, according to economists.
- Although there is no official data on how many jobs have been created through the scheme, number of loan beneficiaries is often taken as jobs generated.
- Two issues have also bogged down the Mudra scheme in the last two years. Firstly, the loans given out are considered risky as they have been given by banks without any collateral. In case of default, banks cannot do much to recover loans. (visit <https://thewire.in/labour/modi-mudra-loan-scheme-job-creation-reality> for further reading)

+ RBI Will Keep Inflation Rates on Hold Till Mid-2019: An increase in the global oil price, overestimated government expenditure and devaluation of the rupee could cause the RBI to hike interest rates. (Visit <https://thewire.in/economy/reuters-poll-rbi-will-keep-inflation-rates-on-hold-till-mid-2019> for further reading).

+ Global Sugar Exports:The Global Sugar Alliance convened a meeting in New York to discuss compliance with WTO norms by countries in the sugar Industry. The Global Sugar Alliance representing top exporting nations, including Brazil, Australia and Thailand launched an investigation this year into whether the EU, India and Pakistan are in violation of WTO rules (on direct subsidies), with

plans to conclude by July. visit <https://thewire.in/trade/global-sugar-exporters-to-review-govt-support-in-india-pakistan-and-the-eu> for further reading)

- ✚ According to United States after an analysis at India's payments for the four recent years i.e. from 2010-11 to 2013-14, India is supporting its rice and wheat farmers with payments (Market Price Support (MPS)) that are far higher than the amounts allowed by the WTO. The statement by the US identified that, India's apparent MPS for wheat appears to have been over 60% of the value of production in each of the last four years for which India has notified data. Its apparent MPS for rice appears to have been over 70%. Anything over 10% would break WTO rules. (visit <https://thewire.in/trade/india-giving-wheat-and-rice-farmers-vast-support-us-tells-wto> for further reading)
- ✚ Farmers in Madhya Pradesh's Mandasaur are protested once again as Bhavantar Scheme Proves Ineffective, that garlic in the wholesale market is selling at as low as Re 1 per kg. The problem of low wholesale prices for garlic had begun emerging in March. (visit <https://thewire.in/agriculture/garlic-prices-hit-rock-bottom-in-mp-as-bhavantar-scheme-proves-ineffective> for further reading)
- ✚ An audit report by the Comptroller and Auditor General of India on the social and economic sectors (for the year ending 2016) of the Haryana government has revealed huge gaps in the implementation of the Beti Bachao, Beti Padhao Yojana, one of the major flagship programmes of the Union government.
 - The report stated that, the target of improving the sex ratio at birth, increasing girls' enrolment in secondary education and hundred per cent re-enrolment of dropout girls could not be achieved in three districts which it focussed on :
 - The CAG found evidence of diversion of funds from the scheme, which is wholly financed by the Central government. (visit www.frontline.in/cover-story/stillborn-scheme/article10107275.ece for further reading)
- ✚ *Farmer organisations (around 2 lakh farmers) in Maharashtra have called a 'jail bharo' andolan (agitation) on May 14, the birth anniversary of Chhatrapati Sambhaji Maharaj, across the state, demanding a complete waiver of loan and electricity bills, scrapping of the Mumbai-Nagpur Expressway and refinery at Nanar in Ratnagiri, among others.*

(visit <https://www.thewire.in/labour/labour-news-maharashtra-farmers-protest> for further reading)