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**AGRARIAN TRANSFORMATION AND RURAL  
DEVELOPMENT IN INDIA – ISSUES AND  
PROBLEMS”**

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**Introduction:**

India liberalized its planned economy exactly a quarter century ago. Now a generation wrestles with the perils and promise of a more freewheeling market driven world. One shudders to observe the two ends of the spectrum of the ever widening economic divide that is crystalizing practically every day: a consequence of the model of development that India is pursuing. Is it not the time to seriously examine the consequence of the development strategies which to say the least, have

bewildered those who at the time of independence had a dream of dignified life for the last man identified by Gandhiji? Every country in some measure or the other faces the crisis of the ideology of progress and consistently makes amends and changes. However one of the greatest unsung triumphs of human progress is that most people are no longer working on the land. That is not to demean farming. Rather, it is to praise the monumental productivity growth in the

industry achieved almost entirely by the application of technology in the form of farm machinery, fertilizers, along with scientifically improved crops and livestock.

Today India is the 7th largest economy in the world and the fastest growing major economy that has registered growth rate of 7.6 % for 2015-16 as per the World Bank report. Incidentally the agricultural growth was only 1.2% for the same period. The fastest growing economy tag is predicated to good monsoon and uptick in manufacturing and consumption and not on real agricultural growth. Indian planners are more bogged down by growth rather inclusive growth and entitlements to the poor and the needy who eke out their living in the rural hinterland. While growth is a factor to be reckoned with more for academic purposes than daily living, is it not possible to ease the burden of farmers and Aam Aadmi and usher in agrarian transformation by giving genuine dues to farmers and modernizing agricultural operations?

Our farmers' pauperization

A person is considered poor if he has to spend most of his income on food and other essential items. If this is considered the yardstick, a majority of Indian farmers are poor. This has been corroborated by statistical evidence

collected by the national Sample Survey Office when it conducted a situation assessment survey recently. The details of the survey are shocking, to say the least.

While the average monthly income of the agricultural household was Rs. 6,426, the expenditure was to the tune of Rs. 9,502. Thus average agricultural household incurs a monthly debt of Rs 3000 which accumulates to Rs. 36,000 a year. Few of them can afford to clear the debt and it explains why so many farmers commit suicide. In 16 years i.e. from 1995 to 2010, the recorded figure of farmer suicide was 2,56,913. Shocking details of what happens to their family make little impact on those responsible for their welfare. Eg. A cotton farmer by name Mr. R. Rajendran from our neighborhood at Tiruvarur ended his life 2 weeks ago, lamenting over repaying loan that he had taken to raise the crop which did not give him the required output. Such stories are heard every day from our backyard. Agricultural operations account for only 60 % of the farmers' income. They do agricultural jobs to get 32 % and business to get the rest 8% of income. The point to be noted is that agriculture as a profession does not provide enough income to the farmers. Even when they do other jobs to supplement their income, they end up in incurring debts. So what they harvest

for sure is debt, not profit. This represents a major economic crisis about which few are bothered.

This unviability has already forced many farmers to give up cultivation. In Kerala keeping land fallow is more profitable than cultivating crops because of the heavy input costs. My own old study will highlight this nemesis. Hence at the rate pauperization grips farmers, more and more of them will be forced to give up cultivation. In many parts of India, farmers find it profitable building marriage halls than selling rice or wheat at government-declared support prices. Lack of government support, delay in release of procurement price, climate change impact and change in land-use patterns are adding to their existing woes.

Still living on Rs 26 or less a day, 445 million Indians deserve food security. Some 850 million Indians live in rural areas and nearly 60% of them depend on farming for survival. For many, it is not much of a living. India has more people living in poverty than any country in the world – 260 million by World Bank's count and 80% of them live in the countryside. Farming in India is the center area for sustenance security, dietary security, and supportable advancement and for destitution easing. It contributes approximately 14 % of

GDP. Turning points in farming advancement in India incorporates: Green insurgency, Evergreen unrest, Blue transformation, White upheaval, yellow upset, Bio innovation unrest and the latest one is Information and correspondence innovation unrest.

Farmers are poorer than urban folk the world over, but the difference in India is stark; the median annual wage for a farmer at Rs.19,250 (\$290) including the implied value of the food they consume, is barely two months' minimum wage in Mumbai. Data from 2008 show the rural urban wage gap at 45% versus around 10% for China and Indonesia. Much of that is down to low productivity: farmers in India grow 46% less rice per acre than their Chinese counterparts and 39% less wheat. Yields of important crops such as rice and wheat have now stopped rising in some intensively farm parts of India, a phenomenon called yield plateauing. The spread of existing best practice can no doubt bring yields elsewhere up to these plateaus. But to go beyond them will require improved technology.

India is suffering its gravest water shortage since independence, says Mr. Himanshu Thakkar, an expert in Delhi. Every day brings news of exhausted rivers and dwells, destitute farmers migrating to cities or even committing

suicide, water trains being dispatched to parched regions like Marathwada and of leopards and elephants venturing into towns in search of a drink. Such are the stubborn stories of Indian agriculture that ring into our ears.

Less than half of Indian farmland is irrigated. That leaves farmers at the mercy of the monsoon which dumps the lion's share of annual rainfall in just a few months over the summer. Normal rains this year (which early weather forecasts are predicting, albeit with a record befitting astrologists or economists) would bring respite. But a good drenching is no substitute for greater investment or a buffer stock of 81 million tonnes of food grains as on date in its godowns are no excuses for complacency.

The verdict on India is grim. The path of economic reforms that has resulted in high economic growth in some regions and sectors in India has been accompanied by failure on food security in all aspects – production, availability, distribution, affordability, absorption and nutrition - which makes India as the country with the largest number of undernourished people in the world, well below the standards prevailing in south Saharan Africa.

By government's own assessment, Indian farmers are locked into low value crops such as wheat and rice, even as increasingly affluent city types demand fruit, vegetables and meat. Making the switch to bananas and chilies is potentially lucrative.

How to fix the problem?

The transition needs agricultural infrastructure such as cold storage as well as access to credit, which is not usually forthcoming for farmers (which is often met by NGOs)

Only a tenth of the money the government spends in rural areas goes on investment that might boost yields. More is squandered on subsidies that encourage farmers to grow staples while occasioning vast corruption. Following economic liberalization, the emphasis has been on reducing food subsidies rather than on ensuring greater food security.

Other countries have embraced genetically modified seeds, but India allows them only for cotton- the sole crop to have seen yields grow rapidly in recent years. GM technology for seeds is critical for improving agricultural productivity and food security. For a time, high prices of agricultural commodities around the world disguised the effects of such daft policies, by boosting rural incomes, but not anymore.

Non farming income in rural areas has also suffered. A small guaranteed employment scheme has helped relieve acute distress, but only goes so far. Other forms of employment available outside cities, notably mining, are in the doldrums. Remittances from the Gulf are under pressure, too, as oil prices have slipped.

A quicker way to enrich Indian farmers would be to turn them into city-dwellers. “We should not consider urbanization as a problem, but view it as an opportunity to mitigate rural poverty” says PM Modi in the context of Smart Cities. However hard India tries to boost rural wages, farming cannot compete with service sector that is six times more productive. But policymakers with romantic ideas about the rural heartland have impeded the flow of migrants. In 1970 India’s urbanization rate stood at 20%, higher than both China’s and Indonesia’s. Urbanization has since trebled in those countries to around 55% while in India it is still around 39%.

Moving to cities (or commuting on a seasonal basis) is easier than it was thanks to improved roads and telecoms. But various government benefits that can be accessed only in their native district tie Indians to their places of origin, much as the *hukou* system pinions rural Chinese. Village dwellers are also reluctant to

abandon informal rural safety nets based on caste.

Land: Few owners have firm title to theirs and so cannot sell it. Leasing is risky since it is hard to reclaim from the tenant. As a result farms in India have shrunk as the rural population has swelled. The average plot in 2010 measured just 1.16 hectares down from 1.84 hectares in 1980. Such fragmentation makes investment in machinery harder and dampens farmers’ selling power. Demography points to ever smaller farms: much of India’s still rapid population growth comes from the countryside.

Better crop insurance schemes and improved ways of farming to market their produce are evergreen ideas whose success depends on implementation.

Land registries must be speedily implemented.

Using biometric technology to ensure subsidies go to their right people should also help.

As India has become an outpost of opportunities for global investment with 7.6% GDP growth for 2015-16, which must be amply reflected even in agriculture and allied industries. This must come on the back of various macroeconomic variables favourable to

India, like good monsoon forecast, political reform process and low current oil prices. On a wider canvas, is it not time to delink our agricultural production from the clutches of good monsoon or bad monsoon even after 65 years of planning? A good monsoon will see significant offtake in rural demand. The food production for the coming year is pegged at 270 million tonnes as against 253 million tonnes in 2015-16.

Despite the severity of the current drought, which will end if meteorologists' predictions of a better-than-average monsoon in June are correct, the real problem is not lack of water. Per person, India has twice as much water as water-starved northern China. But India is being hampered by mindless overuse and in many places, a lack of sensible water – allocation policies.

The practice of e-governance, which creates transparency and governance through IT has enabled the citizens. Successful implementation of e-governance in the areas like land records is a great step in removing the malpractices and creating assurance of rightful ownership. Aadhaar is another such tool, which has empowered the masses by confirming their identities and is good example of ICT solution in attempting to provide access to monetary

benefits by establishing the correct identity and this way rural economy also expands.

E-Agriculture is a new area of knowledge emerging out of convergence of IT and farming techniques. It enhances the agricultural value chain through the application of Internet and related technologies. Basically IT helps farmers to have better access to information which increases the productivity. It also enables him to get better prices through information of change in price in different markets.

If agriculture is to continue to feed the Indian masses with better nutrition, it needs to become more like manufacturing says Geoffrey Carr, a leading agricultural scientist. It is already beginning to happen in the western world with smart farming and precision farming because in various guises, information technology is taking over agriculture. Hence it must take roots in India, even with the introduction of robots as we see in some parts of the western world. Ours, it is only a matter of time.

#### **Conclusion:**

The PM Mr. Narendra Modi wants to help the farmers. He wants agricultural income to double by 2022, an ambitious target as yet unsupported by detailed schemes.

It is a pity that the Modi Government that began on the right note when it came to pricing issues, has changed the color and track and become interventionist in its impulses. The difference between an interventionist government and reformist one is that the first prefers administrative solutions, the second prefers to let markets work out solutions, chiefly by allowing prices to bring about a balance between demand and supply. One day it may be for airfares and on another day for Bt cotton etc. The consequence of such price intervention are often quite different from what administrators intend.

In the past, failure of the monsoon was enough to prompt nationwide recession. Not anymore. Now failed rains even for 2 years running, cause only localized distress. Yet climate change now poses further uncertainties. That represents progress, but more is needed. Even doubling rural Indians' wages would be just a start.

Census figures show a continuing exodus to the cities from the countryside. These Malthusian refugees just like those from Syria and Afghanistan to Western Europe, are mostly landless labourers, exploited sharecroppers and tiny peasants who find that the land that they till is no longer a fond 'mother' and simply

cannot provide the income and opportunity they seek with a growingly unfavourable land-man ratio. A plethora of schemes have unfolded similar to that of MGNREGA by the present government, of course all titled in Hindi, to uplift the penury of rural folks with capital assets and rural infrastructure which must be pushed through with verve and vigour.

A shake-up in the agricultural sector is a shake-up of the Indian society at large. This must dominate academic and political narrative to pep up the economy. India's stuttered attempts to perk up its rural economy are like watching a ping-pong balls bouncing downstairs which will leave India's poorest straggling behind. An emerging economy like India will face pedestrian future if no tangible reforms are undertaken at the earliest. Otherwise agrarian transformation and rural development will remain a utopian ideal as ever.

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