

A Study on Factors Influencing Agriculture of Modern India

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ABSTRACT

Agriculture is the backbone of Indian economy. However, it is going through the struggling phase marking sluggish or no growth since several decades. The Indian economy has been shifting its paradigm from core agriculture-based to service-oriented since last few decades. It is influenced by the global trends, market dynamics, government policies and stakeholder expectations. After signing General Agreement on Tariffs and Trade in 1991, India accepted 'Open Door Policy.' It further led to the major reforms in terms of Liberalization, Privatization and Globalization (LPG) model. It has positive impact on sectors like information technology, banking, finance, education, e-commerce, retail, insurance and other service sectors. However, the agriculture has remained detached from developments even after 70 years of independence.

Keywords: Agriculture, Rural Economy, Indian Economy, Modern India.

1. Introduction

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Agriculture is the backbone of Indian economy. However, it is going through the struggling phase marking sluggish or no growth since several decades. The Indian economy has been shifting its paradigm from core agriculture-based to service-oriented since last few decades. It is influenced by the global trends, market dynamics, government policies and stakeholder expectations. After signing General Agreement on Tariffs and Trade in 1991, India accepted ‘Open Door Policy.’ It further led to the major reforms in terms of Liberalization, Privatization and Globalization (LPG) model. It has positive impact on sectors like information technology, banking, finance, education, e-commerce, retail, insurance and other service sectors (Vatta, Sidhu, Lall, Birthal, Taneja, Kaur&MacAlister, 2018). However, the agriculture has remained detached from developments even after 70 years of independence. There are a lot of challenges posing a threat to the survival of Indian farmers due to several factors responsible restricting the scope and growth of Indian agriculture in various states (Singh & Singh, 2018d). Maharashtra, Punjab and Haryana are considered to be some of the progressive states in agriculture in India. However, there could have been remarkable growth rate. The present study aims to identify the various factors influencing the condition of agriculture in modern India.

2. Background of Study:

Indian economy is still known to be Agri-based economy. This is because more than 60% of total population is engaged in the agriculture. In the era of twenty first century, it becomes very difficult to maintain sustainability of Indian agriculture. It also emerged as a vital challenge in front of policy makers of the country. The National Agricultural Policy of the country also mentioned same matter as an emerging crucial challenge in front of Indian agriculture. This policy provides special emphasis on this issue by mentioning it as a main objective. Therefore, this qualitative study which is primarily based on secondary data felt need as well as relevance to understand and explore thoughts of Swami Vivekananda on sustainability of Indian agriculture. Swami Vivekananda was one of the important spiritual leaders of India whose thoughts and teachings played a vital role in socio-cultural development of the country. His teachings had been taken serious across the globe. It is really interesting that during his life span, he frequently used to deliver and write some important thoughts on policy related issues on Indian agriculture and farmers.

3. Significance of Study

The agriculture is the backbone of Indian rural economy. India is the land of opportunities. It is blessed with the natural resources and diversity. It is known for geographical setups and varieties of crops, cultures, livestock, languages and industries etc. One can encounter temperate alpiners in the North-India and humid-dry tropical regions in the South with a range of ecosystems operating within the country. It follows a federal system which means that each state has its own sub-national economy that operates at distinct climate, population, rate of urbanization, resources, access ports and regulatory environment. A sustainable long-term economic growth can only be achieved while monitoring the present resources and wisely channelizing them to increase the productivity in the future. Indian agriculture has the potential to provide employment in terms of self-employment, wage employment and entrepreneurship development as well. However, the mismatch between demand and supply

remains a major concern (Gaikwad, 2016). There is a huge potential for growth in agriculture, service as well as manufacturing sectors in both of these states

4. Objectives of Study

- 1) To examine the present scenario of agriculture in modern India.
- 2) To identify the factors influencing growth of agriculture of modern India .
- 3) To state the relationship of agriculture with employment, socio-economic conditions in modern India.
- 4) To propose the solutions for improving living standards, economical status of agriculturists and sustainable grape farming.

5. Problem Statement

The world economy is influenced by globalization and technological advancements resulting in tremendous changes in all walks of life. A country like India, being developing economy, has gone through sartorial changes shifting its focus from merely Agri-based to service-based economy. Hence, there is a great impact on Indian agriculture noticed in the last two decades in particular. One side, Indian agriculture has growth potential in terms of exporting agriculture products, earn foreign currency, provide employment, increase domestic consumption and minimize rural-urban gap. However, the farmers’ strike in Delhi, increasing farmers’ suicides and degradation of quality of life trapped them in the vicious cycle for generations’ altogether. Hence, the research question is “What are the major factors influencing the agriculture in modern India?”

6. Review of Literature:

Amarjeet Singh and Jaspal Singh (2017) in their research article have demonstrated the economic status of Punjab and Haryana. It is stated that approximately 36 per cent population sustain their livelihood from agricultural sector in Punjab and 41.2 per cent in Haryana. While in service sector only 32.5 per cent population employed in Punjab and 31.2 per cent Haryana this is a reverse ratio of GSDP of both sectors. Only industry sector could minimize the gap, as investigated that GSDP and Employment share were almost similar in Haryana 2010-2011, while the scenario of Punjab economy different whereas 25.5 per cent GSDP coming from industry sector which is providing 31.6 per cent employment to Punjab population.

According to Mr. Vasant Gandhi, (Head-The Centre of Management in Agriculture, IIM-Ahmadabad) in an interview to Economic Times in January, 2017 shared notable views on the condition of Indian agriculture. “Agriculture contributes about 14% to India’s economic output, despite nearly half of the country’s population being involved in farm related activities.” Monsoon has great impact on the Indian agriculture leading to influence the overall rural economy. The sale of consumer goods is almost one-third of total from rural areas. Hence, agriculture is the backbone of Indian economy still today. It generates both direct and indirect employment to the great extent. However, lack of technology, outdated scientific farming methods, division of lands and unpredictable market conditions have made the condition of Indian agriculture worse than ever.

In the opinion of Ashish Mathur (2011:31) as mentioned in his research article “The Dimensions of Indian Rural Development: Issues and Challenges” rural development plays pivotal role in overall growth of Indian economy. He has stated rural economy such as social, human, economic, national and global perspectives. The factors such as education, infrastructure, technology, connectivity, revenue generation and resource management are detrimental for sustainable development.

The United Nations Organizations (UNO) has framed 17 Sustainable Development Goals (SDGs) for effective planning and execution of policy, framework, models and techniques. The term sustainable development is concentrated on “People, Planet and Profits.” The Govt. of India with the help of The National Institution for Transforming India (NITI Aayog) has taken several initiatives to transform the Indian as well as state economies to align the company policies, regulations, guidelines in alignment with 17 SDGs. Environment, Education, Energy, Public Health, Digitalization and Resource Management are the target areas. India had presented its first Voluntary National Review (VNR) in 2017, outlining the country’s ambitious schemes and other initiatives for fast-tracking SDG achievement.

Swamikannan and Jeyalakshmi (2015:9) in their “Women Labour in Agriculture in India: Some Facets” have discussed the gender-based employment opportunities in the farming sector. “Agriculture sector employs 4/5th of all economically active women in the country. 48% of India’s self-employed farmers are women.” In their opinion, the women workers are proactively engaged into activities such as crop production, horticulture, agro-forestry, and post-harvesting operations. Various factors such as region, social class, income group, family size, existing farming system etc. define their involvement in employment. The classification is also done on the basis on their age-group and marital status. “Majority of the women labourers (83.4%) were found to be in the age group of 35-54 Years. About 80 per cent of the women labourers were married and 12.5 per cent were widows.”

A Case study by Kaleeswaran & Rajalakshmi, (2015:7), titled “Contribution of Female Labour in Agriculture: A Case Study of Erode District of Tamil Nadu” presents vivid portrayal of female contribution in Tamil Nadu farming. There is limited scope of self-employment opportunities in Indian agriculture. On the other hand, allied sectors such as animal husbandry, poultry, and fisheries, dairy provide comparatively good employment for domestic workers. The engagement ratio is found more regular. Once again, rural women have shown visible presence in the aforementioned areas than men. If they are well-trained and equipped with required skill-sets, they can perform better than today.

7. Discussion and Analysis

7.1 Agriculture and Sustainable Development:

The Prime Minister of India aims to implement the agenda of Sabka Saath, Sabka Vikas (Collective Efforts, Inclusive Growth). The NITI Aayog has announced ‘Three-Year Action Plan’ starting from 2017-18 to 2019-20 in alignment with “Strategy for New India @ 75.” It is based on the Sustainable Development Goals wherein the states and union territories are encouraged to participate proactively. No poverty, Zero Hunger, Quality Education, Public well-being, Gender Equality Decent Economic Growth is some of the key goals.



(Source: UNO)

7.2 Agriculture and Employment

It is observed that the employment in agriculture has been reduced year on year basis due to migration of youths to nearby towns, draught/flood situation etc. In order to address the concern, the Government of Maharashtra in their Economic Review of 2017-18 came up with a remarkable initiative called “Krishi Udyojakta Yojna.” It is considered as a ‘New Deal for Self-Employment.’ It says, “In the changing scenario of internationally competitiveness, agricultural human resource development needs utmost importance and priority, especially for the development of entrepreneurship in women and rural youth as we have approached new century.”

The concept of ‘Training of Rural Youth for Self-Employment (TRYSEM) is noteworthy. The Government of India introduced it with the key objective of generating self and wage employment in rural areas. A research article of Vilas Kadrolkar (2014:3) entitled as “Self-Employment Generation in Rural Economy: A Study of Skill Generation Programmed” is a review of aforementioned scheme in order to measure the effectiveness in selected talukas of Karnataka state. “The main objective of TRYSEM is to provide technical and basic skills to the rural youth from families below poverty line, and to enable them to take up self-employment in the broad fields of agriculture and allied activities.” The scheme did not actually serve to be the tool of poverty alleviation. The crucial needs of rigorous training and financial support were identified as areas of improvement.

There are two critical factors that affect the movement of labour away from the agriculture sector. The first is the “Pull” factor. With accelerated economic growth, job opportunities in non-agricultural sector are created much faster and this leads to a pull on labour away from agriculture to higher productive and higher paying manufacturing or services sector. Supported by a number of Government schemes, including MGNREGA, Rural wages have been growing by 17% on average since 2006-07 and have outstripped urban wages (Goldman Sachs, 2014). The study found that the share of households enrolled in MGNREGA was indeed a significant explanatory factor for rural wage growth. The availability of labour in agriculture crucially depends upon job creation in the non-farm sector, the pace of urbanization, social schemes and incentives in the rural sector and wages in the agriculture sector, besides certain social factors like children’s education and status.

8. Findings of Study:

- Availability of labour, rising wages, migration of workers, ineffective government policies, globalization, technology advancements and international market dynamics are some of the major factors influencing agriculture of modern India.
- There is a significant relationship between agriculture development and employment opportunities. Since employment in agriculture is seasonal, uncertain in nature, the youths prefer to seek jobs in manufacturing, service and other sectors.
- The contribution of agriculture to the overall GDP has reduced to the great extent. The manufacturing growth is restricted while service sector is growing with speed.
- The unemployment, poverty, poor quality of education, lack of skilled manpower, widening skill-gap, demand-supply mismatch, poor condition of agriculture are the major challenges of agriculture in modern India.
- Technology has raised the expectations through access to digital platforms like e-learning, internet banking, online payment methods (PhonePe, G-Pay, NEFT etc.), direct benefit transfers, rural-urban development schemes. It needs to be scaled up to the next level.
- The information and communication technology should integrate the various schemes together through one-time registration for all. Digital India, Skilled India, Start-Up India, PM Kisan, GaribKalyanYojana and other schemes should have single entry system. It would empower the policy-makers, intermediaries, end-users to communicate, coordinate and track the progress reducing the time, energy and wastage to the great extent.
- Minimum government and maximum governance, single window policies, more number of food parks, agro-processing units, IT/BPM parks, infrastructure development and digital literacy would make state economies stable leading towards ‘sustainable development.’
- Government initiatives such as MGNREGA should be increased in rural areas. In addition, the community development programs can be arranged for the farmers, traders, self-help groups, students, literate women and others.

9. Conclusion:

The global economy is shifting its paradigm from manufacturing to service sector. It is on the verge of becoming the knowledge-based economy. It would have significant impact on the Indian as well as state economies such as Maharashtra, Punjab, Haryana. All the stakeholders need to come and work together for future. The COVID-19 pandemic outbreak has shaken the business world and disturbed daily lifestyle due to lockdown series and shutting down industries and no access to markets. It becomes more significant to plan and execute the strategies to achieve the millennial sustainable development goals. All the three aspects such as people, planet and profits have to be taken care of. We can make the green earth a better place to live and work creating win-win situations for all.

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