

General Studies-3; Topic: Agriculture

Rural Distress in India

1) Introduction

- Yet, a century after Mahatma Gandhi fought against the exploitation of farmers, India's agrarian community still remains under siege.
- Rural distress is a recurring theme in India.
- Rural distress involves drought, unpredictable monsoon, lack of financial support, failure of crop insurance, unsustainable agriculture etc.

2) Factors responsible for rural distress

- Rising prices of agricultural inputs, landholding size decreasing, non-availability of water, soil suitability and pest management.
- Small and marginal farmers face a greater burden of debt
- Large fall in food prices
- The income of landless rural population is hardly enough to cover its consumption requirements.
- Climate change impacting the monsoon.
- Decline in land available for agriculture and its diversion for non-agricultural use.
- More than 50% of people in rural India do not own land and have to depend on manual labour.
- Sub-optimal utilisation of MSP.
- Green Revolution caused regional and other disparities.
- All these factors create a narrow window of economic benefit for the marginal farmer.
- Data shows that over the years, MGNREGA wages have increased only in nominal terms with no increase in real wages.

3) Consequences

- The most vulnerable are the landless, given their income-consumption gap is negative.
- Farmers committing suicides which have grown primarily in States with limited irrigation and variable rainfall.
- Size of the agricultural workforce is shrinking and seeking employment in the secondary and tertiary sectors.
- Rural distress could trigger mass migration to cities. For the first time as per 2011 Census, urban India added more to its population than rural India.

4) Concerns / Challenges

- Unlike the Champaran Satyagraha, national attention has been lacking.
- Large farmers typically have access to modern pumps, consuming huge amounts of water and leaving hardly anything for small and marginal farmers.
- The limited availability and high cost of high-yielding seed varieties also hampers agricultural productivity.
- Farmers have limited scope for crop diversification and focus primarily on wheat and rice.
- India's agricultural policy has historically disincentivised the creation of a formal credit culture among farmers.
- We have the second largest amount of arable land in the world. Yet, less than 35% of this land is irrigated.

- Farm loan waivers do more harm than good. They spoil the credit culture and erode macro-economic stability.
- Every census shows the number of marginal farmers going up, and a further sub-division of minuscule plots
- Eight decades after B.R. Ambedkar wrote his Annihilation of Caste, the bulk of Dalit farmers in the country are unable to earn for a better living.

5) Solutions

- The panacea for rural distress can only be agricultural reforms that will raise farm productivity and incomes
- Greater subsidies could be extended for the purchase of agricultural equipment, fertilizers and pesticides for small and marginal farmers.
- Medical insurance coverage could be expanded through the Rashtriya Swasthya Bima Yojna.
- The scope of the Mahatma Gandhi National Rural Employment Guarantee Act could be increased.
- Agricultural reforms, such as in irrigation and warehousing infrastructure, can increase farm productivity and therefore incomes.
- Value addition and supply chain for agricultural produce - more income and profitable.
- Improve the quality of education and health services in government schools and hospitals.
- Create productive employment avenues in rural areas to deal with rural distress
- Greater public spending in rural infrastructure and watershed development.
- Efforts to develop agriculture allied sectors such as horticulture, Poultry, fisheries etc.

6) Conclusion

- We need a national conversation on rural distress.
- With empathy for India's farmers and a truthful assessment of on-the-ground farming reality, we must make the right choices for Indian agriculture.