



## A STUDY ON AGRICULTURAL DECLINE AND RURAL POVERTY IN INDIA WITH SPECIAL REFERENCE TO TAMILNADU

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### ABSTRACT

While agriculture's share in India's economy has drastically declined to less than 15% due to the high growth rates of the industrial and services sectors. India is a global agricultural powerhouse. It is the world's largest producer of milk, pulses, and spices, and has the world's largest cattle herd (buffaloes), as well as has the largest area dedicated for cultivating wheat, rice and cotton. It is the second largest producer of rice, wheat, cotton, sugarcane, farmed fish, sheep & goat meat, fruit, vegetables and tea. Tamil Nadu is basically an agricultural economy, where agriculture serves as the backbone of the development of the Tamil Nadu economy. But recent studies clearly states due to various factors there is a steady decline in the agricultural growth and its contribution to the state's economy. So the concept of agricultural development is more of necessary problems of concern for solving the social and economic issues of the state. With this background, the present paper attempts to examine the linkages between rural poverty and agriculture development in Tamil Nadu.

**KEYWORDS:** Indian Agriculture, Economic Reforms, Poverty, Economic Issues.

### INTRODUCTION

Agriculturists in general and the small and marginal farmers in particular have been the worst sufferers from the onslaught of globalization. With more than 40% of agricultural lending even today coming from the non-institutional sources charging anywhere between 30-40% interest per annum, the farmers are in an immiserizing situation. They are committing one of the worst human tragedies - suicides. Rural India without them definitely is not shining and with the woeful lack of infrastructure there is a gloom not a bloom in the countryside. A decline in the share of agriculture contributing towards the national income dropped from over 50% during the 1950s to less than 25% of today's economy.

### OBJECTIVES OF THE STUDY

- To analyze the changes in agriculture development.
- To study the state of Tamil Nadu's rural poverty.
- To analyze the changes in consumption and expenditure pattern.

### DATA AND RESEARCH METHOD

Present study is based on the secondary data collected from economic survey and report of planning commission of India.

### POVERTY IN TAMIL NADU

Tamil Nadu has historically been an agricultural state, while its advances in other fields launched the state into competition with other areas. Agriculture is heavily dependent on the river water and monsoon



rains. The trends in the level and incidence of poverty across rural and urban regions of Tamil Nadu showed differential pattern. In terms of absolute numbers, there was a steady decline in the number of persons below poverty line in the rural areas, while an increasing trend could be observed in the urban areas up to 1993-94 and a decline thereafter. However, in terms of relative shares to the respective total regional population, the incidence of poverty had declined in both the rural and urban areas. In fact, the decline was observed to be significantly higher in the rural, compared to that of urban Tamil Nadu. As rural areas in Tamil Nadu are characterised by dependence on agriculture, we shall examine the trends in agriculture in the next section.

### **POVERTY RATE IN TAMIL NADU**

According to poverty rate as on 16<sup>th</sup> September 2013 is 11.28 %.The list is compiled from the Annual Report of Reserve Bank of India published in 2013.

### **TRENDS IN AGRICULTURE IN TAMIL NADU**

The trends in agriculture could be understood from various angles. Particularly, aspects such as area under cultivation, production and productivity and distribution of land holdings are very much relevant with reference to rural poverty. Modern varieties, irrigation, and fertilizers were the important contributors of higher growth in crop production. However, technology and institutional support for a few crops such as rice and wheat have changed crop area and output composition significantly in some regions. The results of the crop output growth model indicate that enhanced capital formation, better irrigation facilities, normal rainfall, and improved fertilizer consumption will help increase crop output in the country.

Poverty in India is primarily rural concentrated; about 70% of the poor population live in rural areas and draws their livelihood and food from agriculture. The conceptual framework of the study identified three main linkages via which agricultural productivity translates to poverty reduction; this includes: i) income empowerment, ii) Market expansion and iii) Sustenance enhancement. The domestic credit to private sectors and institutions were significant in reducing all categories of poverty, with largest impact on rural poverty. It implies that development programmes targeted at enhancing agricultural productivity should encompass strategies for accessing credit in order to boost the asset base of rural farmer for a large scale commercial production. Also, appropriate macroeconomic policies and institutional quality needs to be enhanced to boost provision of social services, equitable land and credit access.

### **LINKAGES IN AGRICULTURE AND POVERTY**

Agriculture and rural poverty are closely related and they both mutually influence each other. Hence, if agriculture develops it would have a negative effect on the levels of poverty. Though the causes for poverty are wide and vary across regions, as far as Tamil Nadu is concerned, agricultural development could play a major role in pushing back the level and incidence of poverty. In fact, there are several measures initiated and implemented both by the state and central governments to eradicate poverty in the state. While some are of income and employment oriented, the others are of production and consumption of food oriented. In this context, it is worthwhile to highlight the linkages between agriculture and poverty.

The linkages between agriculture and poverty could be looked at under the following four major aspects: (a) Food Security, (b) Health and Nutritional Security, (c) Income and Employment Security, and (d) Economic and Social Security.

### **SUMMARY AND FINDINGS**

According to official estimates, there was an absolute and steady decline in the poverty levels in Tamil Nadu. However, the incidence of poverty varied between urban and rural areas. The rural poverty situation was attributed largely to agricultural development, changes in the rural population, rural development and poverty alleviation measures in rural areas. As the performance of agriculture in Tamil Nadu is not impressive, the removal of rural poverty is an issue to be viewed seriously. It is argued that

agricultural development can ensure food security, income and employment security, health and nutrition security, and economic and social security to the rural population. Hence, it is necessary to keep our policy focus towards developing agricultural sector as a measure to eradicate rural poverty.

Some views were expressed on the importance of encouraging closer relations between businesses and governments, and between big business and peasant farmers in India. Further comments were made about initiatives to help small scale farmers and rural inhabitants to develop farmer associations and small village and town development. Moreover, the economic potential of different types of agriculture such as livestock as an alternative to food production.

## CONCLUSION

Over the study period the fruits of development have spread across Indian states. There has been a decline in the poverty rate and a number of people have risen above poverty line. However instead of remaining mere statistical figures, the development should become a sustainable change in the lives of poor.

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