Contribution of Agriculture and Poverty Eradication Programme in Economic Development of India

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Paper Code : JCT-A 20-NKS
DOI : https://doi.org/10.26703/JCT.v15i1-3
Web Address : http://www.jctindia.org/april2020/v15i1-3
Archive : https://ideas.repec.org/a/jct/journl/v15y2020i1p15-28.html
http://EconPapers.repec.org/RePEc:jct:journl:v:15:y:2020:i:1:p:15-28
Similarity : 11 percent

How to Cite: Sinha, Nand Kishore (2020). Contribution of Agriculture and Poverty Eradication Programme in Economic Development of India. *Journal of Commerce and Trade* (H. Agarwal, Ed.) *15* (1), 15-28. https://doi.org/10.26703/JCT.v15i1-3.

Abstract

India hosts one-third of the world's poor, most of them in rural areas. This makes it imperative for all those involved in the rural sector, including agricultural researchers, to examine the extent to which they contribute to poverty alleviation. The main objective of this research paper is to examine agriculture development and poverty eradication programme in economic development of India can support this objective. The paper first reviews the past contributions of agricultural research to poverty alleviation, as seen through a variety of studies, including village studies. These studies show that Green Revolution technologies were effective in reducing poverty, but their impact on the poor was moderate and after a considerable time lag. Poverty is an important concern for most of the developing countries. Both the agriculture and non-agriculture sector plays an important role in reducing poverty. But in case of agrarian economy like India, the contribution of agriculture in poverty reduction is dominant since the majority of poor people are relied on this sector for their sustenance. Although economic growth leads to poverty reduction but the sector mix of growth matters substantively. It is always a tough job for policy makers to quantify the contribution made by each sector. This has implications for future research. Multi disciplinary research, with a social science component, is required to better understand the conditions of the poor and to develop appropriate technologies. The most widely accepted view is that it contributes to economic growth and economic growth is directly related to poverty alleviation. However, it is suggested that the impact of agriculture on poverty reduction cannot be judged by focusing on this sector alone. Instead, balanced growth between agriculture and manufacturing is required to reap the maximum benefit of forward and backward linkages. Poverty is a social phenomenon in which a section of society is unable to fulfill even its basic necessities of life .Government of India launched several poverty eradication programmes to create assets that benefit the poor and by raising the productivity of the poor through education, public health and other human resource related measures. This research paper also examines the overviews of poverty eradication programmes implemented in India. From the study, it is clear that the Government have been attempting the eradication of the poverty through multi dimensional approaches. Even though the Government plays a major role the implementation of the programmes the success yet vests with the public private partnership where the role and commitment of the private beneficiaries without whom the projects would not success Proper implementation of programmes is important to achieve the specific set objectives rather than the numbers and huge financial allocation in the present era of economic development.

Keywords: *Infrastructural Development, Agriculture, Poverty Eradication.*
Classification-JEL : *A 11, N35, H54*

1. INTRODUCTION

Agriculture development is crucial not only in poverty reduction or effort for poverty eradication but for many other sectors associated with it. UNDP has set goals for sustainable development of the world. The sustainable development goals note that agriculture is the single largest employer in the world about 40% population getting livelihood from Agriculture (World Bank).

Agriculture is the basic industry of worlds poorest countries. It accounts for a large share of many developing countries, economies that's why, its success plays a vital role in the shaping the course for international economies. Its significance can be seen in its contribution to Gross Domestic Product(GDP) Agriculture means to use natural resources to “produce commodities which maintain life, including food, fiber forest products, horticultural crops, and their related services. Indians practice Agriculture since the times of Indus Valley Civilization. Green Revolution is the biggest revolution in Agriculture. Agriculture is the primary source of livelihood for about 58 per cent of India's population. Problems in agriculture were challenging but Green revolution solved the problems with the introduction of Chemicals, fertilizers and pesticides to increase the agricultural productivity. The green revolution is an agricultural revolution; therefore it is the 3rd agricultural revolution around the world. Therefore, Fiber, Food, Fuels and raw materials are the subdivisions of the agricultural crops. Green Revolution in India was lead by CS Kalkat who is hence titled as” Father of Green Revolution in India”. Modern technologies and HYV seeds boosted the agricultural yielding of India. Since India is a developing country, the revolutions initiated in 1960 in states like Punjab, Haryana and Uttar Pradesh.

Before green revolution, India was not a self – sufficient country. Eventually, after the green revolution, India is a self-sufficient country. The highest yielding crop in India is wheat. This revolution was beneficial for the northern Indian states. Therefore, the green revolution is responsible for the advancement in India. Hence, the green revolution led to an increase in higher productivity factor.

Agricultural innovations are often accompanied by a host of infrastructural and institutional changes whose contribution cannot be easily isolated from that of research. This is particularly the case with the Seed-Fertilizer-Irrigation technologies, popularly known as Green Revolution technologies, which incorporate advances from agricultural research and improvements in irrigation and marketing facilities. The macroeconomic link and the attribution problems described above have led many observers to conclude that agricultural research is too blunt a tool to address the problem of poverty alleviation. Its contribution to poverty alleviation cannot be ignored, but not much can be gained from improved targeting.

Poverty (Sharma & Agarwal, 2018), like other macroeconomic variables such as unemployment, can be reduced by economic growth, but requires special programs. Agricultural research can make a contribution to this effort – a critical, albeit small, one. In this research paper, we take the yet unproven view that we cannot rely exclusively on the macroeconomic link to get the highest impact on poverty and that finer targeting of research could lead to increased benefits for the poor.

No doubt contribution of agriculture and allied sector to GDP is lesser than other sectors but it helps in eradicating poverty because it provides employment to the poor people who are not educated and also have low skills, as well as supporting the growth of non-agricultural employment in rural areas. Growth in agriculture also provides a larger supply of food and contributes to lower food prices, and benefits both rural and urban poor. On the other hand, industrial sector is more beneficial for the richer section of the society and urban sector. It is observed that the industrial sector leads to income inequality so the intensity of effect on poverty is doubtful.

In India, most of the farmers engaged in agriculture are either small or medium sized. Also, the majority of poor people are relied on this sector for their sustenance. So, the GDP growth from agriculture benefits mostly the poor section of the population and it supports the rural economy. On the other hand, industrial sector is more beneficial for the richer section of the society and urban sector.

Table 1 : Contribution of various sectors to GDP

Share of Sectors in GVA at current Prices(%)			
Sector	**2015-16(2nd RE)**	**2016-17(1stRE)**	**2017-18(PE)**
Agriculture, Forestry and Fishing	17.7	17.9	17.1
Industry	29.8	29.3	29.1
Services	52.5	52.8	53.9

Notes: 1. In first half (April-September) of 2018-19, share of manufacturing sector in GVA was 16.9 per cent, higher as compared to 16.5 per cent in the first half of 2017-18.

2. 2nd RE: Second Revised Estimate, 1st Re: First Revised Estimate, PE: Provisional Estmate

Source: Ministry of Programme Implementation, Central Statistical Organization, Govt. Of India

The contribution made by agricultural sector to the economy cannot be substituted or supplemented by any other sector. It not only supplies food or fodder, contributes to national income, provides source of livelihood but has a great significance to international trade also. Agricultural products like sugar, tea, rice, spices, tobacco, coffee etc. are the major export items of most of the agrarian economy. If the agriculture sector of an economy develops, then export increases and imports are reduced considerably. This not only helps in making the terms of trade favourable for the country but also saves foreign exchange. This amount can further be used to import other essential inputs, machinery, raw-material and other infrastructure which are essential for country's economic development. Agricultural commodities such as jute, tobacco, oilseeds, raw cotton, spices, tea and coffee accounts for approximately 18 percent of the total value of exports of a country. It also provides the main source of raw materials to major industries such as cotton and jute fabric, sugar, tobacco, edible as well as non-edible oils. Furthermore, many other industries such as processing of fruits as well as vegetables and rice husking get their raw material primarily from agriculture. Construction of irrigation schemes, drainage system and similar activities in the agricultural sector is important as it provides larger employment opportunities. The sector provides more employment breaks to the labour force and as such reduces the unemployment created by the fast growing population.

India accounts for one-sixth of the global population and is growing at faster rate that shortly it will become the most populous nation in the world. The pressure on land is increasing day by day; while agricultural productivity is not keeping pace with the population growth. Presently, 72 per cent of India's population and 75 per cent of the country's poor are in rural areas.

Thus, agricultural development is a precondition for economic development in a developing country like India. There has been a longstanding interest in understanding the relationship between agriculture growth, rural development and poverty reduction. Many studies that have attempted to analyse the factors responsible for the rural poverty in India, mainly focused on the agricultural growth trickling down to the poor through its indirect effects on income and employment opportunities.

Though agricultural growth plays a pivotal role in alleviating poverty, growth in the rural non-farm economy, and government expenditure on food subsidy and employment generation have also become important. Government expenditure has been crucial since it contributed not only to agricultural growth but also directly created rural non-farm jobs and higher wages. Land and water resources improvement works are undertaken in the targeted employment scheme to have direct impacts on poverty alleviation in addition to increased agricultural productivity through resource conservation. The significance of government's developmental expenditure is that more benefits are likely to trickle down the poor in the growth, which often reduces poverty only by increasing mean consumption; government expenditure reduces poverty both by increasing income and improving the distribution of income.

2. THE AGRICULTURAL SECTOR IN ECONOMIC GROWTH AND TRANSITION

The general pattern for least developed countries that diversify and reduce poverty is:

a) Agriculture is a large share of gross domestic product (GDP) and food is a high percentage of the poor's expenditure.

b) As agricultural productivity increases, the non-farm sector develops and countries are less dependent on agriculture for their economy (although this may not occur in all areas of the country, where the non-farm sector is not as well developed).

c) Agricultural growth contributes to wider growth and poverty reduction, to what degree is dependent on the changes in productivity and the size of farms. Increases in land and labour productivity can be central to pro-poor growth. Initially land and labour productivity must rise to reduce poverty, but land productivity should rise faster... to create additional employment on farms which benefits the poor and leads to demand for non-farms goods and services.

d) As growth increases, there are more employment opportunities outside of agriculture, and labour moves outside of agriculture thus wage rates for farm labourers rise. At this stage, it is important to increase labour productivity to maintain food supply and prices.

3. POVERTY IN INDIA

Poverty is a peculiar problem from which various countries of the world, particularly the Third World, have been suffering. There cannot be a common definition of poverty which can be broadly accepted everywhere. Thus there are large differences between the definitions of poverty accepted in various countries of the world.

Leaving aside all these differences it can be broadly said that poverty is a situation where a section of the society, having no fault of their own, is denied of even basic necessities of life. In a country, where a chunk of the population is deprived of even minimum amenities of life since long period, the country is suffering from a vicious circle of poverty.

Poverty is considered as the greatest challenge faced by the societies in the third world countries. Poverty is also concerned with the comparison with respect to a fixed line—known as poverty line. However, the poverty line is fixed extraneously and, therefore, remains fixed for a certain period.

In India, broadly accepted definition of poverty emphasises more on minimum level of living rather than on reasonable level of living. Accordingly, it is broadly agreed that poverty can be termed as a situation where a section of the population fails to reach a certain minimum consumption standard. Differences arise with the fixing of this minimum consumption standard.

After a thorough examination, the study group set up by the Planning Commission in July 1962 recommended a standard of private consumption expenditure of Rs 20 (at 1960-61 prices) per capita per month as the bare minimum amount common to both rural and urban areas.

At the initial stage, the Planning Commission accepted the study Group's poverty criterion. Various researchers like B.S. Minhas and A. Vaidyanathan also made their study on the basis of this definition. But other researchers like Dandekar and Rath, PK. Bardhan and Ahluwalia made their study on the basis of their own definition of poverty.

Later on, the “Task Force on Projections of Minimum Needs and Effective Consumption Demand” offered an alternative definition of poverty which has been adopted by the Planning Commission in recent years.

The Task Force defined the poverty line as the mid-point of the monthly per capita expenditure class which have a daily calorie intake of 2,400 per person in the rural areas and 2,100 in urban areas of the country. Accordingly, the minimum desirable standard was worked out at Rs 76 for the rural areas and Rs 88 for urban areas at 1979-80 prices.

Prof Galbraith once argued “Poverty is the greatest polluter”. There is definitely some logic in this argument. The entire world economy now considers poverty as their great enemy. In India, the problem of poverty is still quite acute. For the last forty-five years, Indian politicians have been holding the expectation and promise of poverty removal believing in the theory of the “trickle down”.

Most of them were of the opinion that the benefits of a high and sustained growth of the economy will eventually take care of bulk of the poor population of the country. But by the end of 1960s, it became quite clear that the benefits of growth could hardly trickle down and institutional reforms adopted in the country were strangled by vested class interests.

Considering this situation, a plethora of poverty alleviation measures were gradually adopted by the beginning of 1970s.

Again in 1987-88, the Planning Commission revised the standard of private consumption expenditure of 15.43 for rural areas and Rs 165.58 for urban areas per capita per month as a bare minimum amount for determining the poverty line. Again in 1999-2000, the same consumption expenditure per capita per month determined on the basis of NSSO data revised to Rs 211.30 for rural areas and Rs 454.11 for urban areas.

The Expert Group under the Chairmanship of Prof. S.D. Tendulkar revised the national poverty line at 2004-05 prices and accordingly the monthly per capita consumption expenditure of Rs 446.68 in rural areas and Rs 578.80 in urban areas in 2004-05.

Again in October, 2011 in response to the quarry of the Supreme Court, the Planning Commission made an attempt to revise the poverty line with the monthly per capita expenditure of Rs 965 for urban areas (Rs 32 per day) and Rs 781 in rural areas 26 per day).

But facing a severe criticism on the above prescription of below poverty line cap from several quarters, the UPA government at the Centre has now decided to revise the expenditure criteria by factoring in the 2009-10 NSSOs report on household expenditure.

The Planning Commission on October 3, 2011 was compelled to announce that a new methodology will be worked out to redefine the poverty line in consistent with the Food Security Bill passed recently by a new Expert Committee.

Planning Commission made another estimate of the poverty line in March 2012 and that was announced in the Parliament on 6th March, 2013. As per the latest available information, the poverty line at all India level for 2009-10 is estimated at monthly per capita consumption expenditure (MPCE) of Rs 673 (Rs 22.40 per day) for rural areas and Rs 860 (Rs 28.65 per day) for urban areas.

After 2004-05, this survey has been conducted in 2009-10.

The Planning Commission has updated this new poverty lines and poverty ratios for the year 2009-10 as per the recommendations of the Tendulkar Committee using NSS 66th Round (2009-10) data from the Household Consumer Expenditure Survey. Thus it has been estimated that the poverty lines at all India level as an MPCE of Rs 673 for rural areas and Rs 860 for urban areas in 2009-10.

Planning Commission made another estimate of poverty line in July 2013 by following the Tendulkar methodology, As per this latest estimate, the poverty line at all India level for 2011-12 is estimated at monthly per capita consumption expenditure (MPCE) of Rs 816 (Rs 27.20 per day) for rural areas and Rs 1,000 (Rs 33.33 per day) for urban areas.

The Planning Commission has updated this new poverty lines and poverty ratios for the year 2011-12. Thus, it has been estimated that poverty lines at all India level as an MPCE of Rs 816 for rural areas and Rs 1000 for urban areas.

4. GOVERNMENT INITIATIVES TO REDUCE POVERTY IN INDIA

A number of programmes have been taken up after fourth five year plan for poverty alleviation. Development of the target group of the rural poor is the basic objective of these programmes. The poverty alleviation programmes in India can be categorized based on whether it is targeted either for rural areas or for urban areas in the country. Most of the programmes are designed to target the rural poverty as prevalence of poverty is high in rural areas. Also targeting poverty is a great challenging in rural areas due to various geographic and infrastructure limitations. The programmes can be mainly grouped into:

a) Wage employment programmes
b) Self-employment programmes
c) Food security programmes
d) Social security programmes
e) Urban poverty alleviation programmes.

The five year plans immediately after independence tried to focus on poverty alleviation through sectoral programmes. The poverty eradication programmes are used to create assets that benefit the poor and by raising the productivity of the poor through education, public health and other human resource related measures. Some of the most important programmes for poverty alleviation in the rural areas are listed below:

a) Jawahar Gram Samridhi Yojana by Government of India- Jawahar Gram Samridhi Yojana (JGSY) is the restructured, streamlined and comprehensive version of the erstwhile Jawahar Rozgar Yojana (JRY). Launched on 1st April 1999, it has been designed to improve the quality of life of the rural poor by providing them additional gainful employment. The main objectives of Jawahar Gram Samridhi Yojana by Government of India is creation of demand-driven village infrastructure including durable assets for increasing the opportunities for sustained employment and generation of supplementary employment for the unemployed poor in rural areas. People living in villages constitute the target group of JGSY. Preference is given to the SC/ST families, living below the poverty line and physically handicapped persons. The programme is being implemented entirely at the village panchayat level. District Rural Development Agencies (DRDAs)/Zila Parishads (ZPs) will release the funds including state matching share directly to village panchayats. Village panchayat is the sole authority for preparation of annual action plan and its implementation with the approval of Gram Sabha. 22.5 percent of JGSY funds have been earmarked for individual beneficiary schemes for SCs/STs. Three percent of annual allocation would be utilized for creation of barrier-free infrastructure for the disabled. The state government will fix wages under JGSY. Village panchayats will have the power to execute works/ schemes up to Rs.50, 000 with the approval of Gram Sabha. However, for works/schemes costing more than Rs50, 000, after taking the approval of the Gram Sabha, the Village panchayats shall seek the technical/administrative approval of appropriate authorities.

Village panchayats are allowed to incur expenditure up to Rs.7, 500 or 7.5 percent of funds, whichever is less, in a year on administrative expenditure/ contingency and for taking technical consultancy. 15 percent of funds can be spent on maintenance of assets. The funds to the village panchayats would be allocated on the basis of population without any ceiling of Rs.10, 000 as at present. DRDA/ZP/Intermediate Panchayats will be responsible for the overall guidance, coordination, supervision, monitoring and periodical reporting.

The programme will be implemented as Centrally Sponsored Scheme on cost sharing basis between the Centre and the State in the ratio of 75:25 respectively.

b) National Old Age Pension Scheme (NOAPS) : Indira Gandhi National Old Age Pension Scheme (IGNOAPS) or National Old Age Pension Scheme (NOAPS) is a social sector scheme and forms part of the National Social Assistance Programme (NSAP) which came into effect from 15th August, 1995. The scheme provides pension to all old people who were above the age of 65 (now 60) who could not find for themselves and did not have any means of subsistence. The pension that was given was ₹200 a month (now it is 2000 per month). This pension is given by the central government. The job of implementation of this scheme in states and union territories is given to panchayats and municipalities. The state's contribution may vary depending on the state. The amount of old age pension is Rs.200 per month for applicants aged 60–79. For applicants aged above 80 years, the amount has been revised toRs.500 a month according to the 2011–2012 Budget. It is a successful venture.

Analysis of Table 2 indicates that This scheme provides social assistance for the old age persons. The number of beneficiaries

Table 2 : National Old Age Pension Scheme(NOAPS)

Indira Gandhi National Old Age Pension Scheme(IGNOAPS)

Year	Number of Beneficiaries	Increase /Decrease	% Change
2002-03	6697509		
2003-04	6624000	(-)73509	(-)1.1
2004-05	8079386	145386	21.97
2005-06	8002598	(-)76788	(-)0.95
2006-07	8708837	706239	8.83
2007-08	11514026	2805189	32.21
2008-2009	15020640	3506614	30.46
2009-10	16333578	1312936	8.74
2010-2011	17069756	726178	4.45
2011-2012	21384404	4324648	25.35
2012-2013	22712043	1327639	6.21
2013-2014	22331089	(-)380954	(-)1.68
2014-2015	22981127	650038	2.91

SOURCE: Ministry of Rural Development, Govt. of India reported under NOAPS/IGNOAPS was 6697509 in 2002-03. The number of beneficiaries reported under NOAPS/IGNOAPS was 6624000 in 2003-04. It decreased by -73509 as compared to 2002-03. In percentage terms, the decrease was -1.1% during the period. The number of beneficiaries reported under NOAPS/IGNOAPS was 8079386 in 2004-05. It increased by 1455386 as compared to 2003-04. In percentage terms, the growth was 21.97% during the period. The number of beneficiaries reported under NOAPS/IGNOAPS was 8002598 in 2005-06. It decreased by -76788 as compared to 2004-05. In percentage terms, the decrease was -0.95% during the period. The number of beneficiaries reported under NOAPS/IGNOAPS was 8708837 in 2006-07. It increased by 706239 as compared to 2005-06. In percentage terms, the growth was 8.83% during the period. The number of beneficiaries reported under NOAPS/IGNOAPS was 11514026 in 2007-08. It increased by 2805189 as compared to 2006-07. In percentage terms, the growth was 32.21% during the period. The maximum annual growth in percentage terms in number of beneficiaries reported under NOAPS/IGNOAPS of 32.21% was recorded during the year 2007-08. The number of beneficiaries reported under NOAPS/IGNOAPS was 15020640 in 2008-09. It increased by 3506614 as compared to 2007-08. In percentage terms, the growth was 30.46% during the period. The number of beneficiaries reported under NOAPS/IGNOAPS was 16333578 in 2009-10. It increased by 1312938 as compared to 2008-09. In percentage terms, the growth was 8.74% during the period. The number of beneficiaries reported under NOAPS/IGNOAPS was 17059756 in 2010-11. It increased by 726178 as compared to 2009-10. In percentage terms, the growth was 4.45% during the period. The number of beneficiaries reported under NOAPS/IGNOAPS was 21384404 in 2011-12. It increased by 4324648 as compared to 2010-11. In percentage terms, the growth was 25.35% during the period. The maximum annual growth in number of beneficiaries reported under NOAPS/IGNOAPS of 4324648 was recorded during the year 2011-12. The number of beneficiaries reported under NOAPS/IGNOAPS was 22712043 in 2012-13. It increased by 1327639 as compared to 2011-12. In percentage terms, the growth was 6.21% during the period. The number of beneficiaries reported under NOAPS/IGNOAPS was 22331089 in 2013-14. It decreased by -380954 as compared to 2012-13. In percentage terms, the decrease was -1.68% during the period. The number of beneficiaries reported under NOAPS/IGNOAPS was 22981127 in 2014-15. It increased by 650038 as compared to 2013-14. In percentage terms, the growth was 2.91% during the period.

c) National Family Benefit Scheme (NFBS) : The Government of Punjab has initiated the scheme entitled “National Family Benefit Scheme” to provide financial help to Below Poverty Line (BPL) families in the event of the death of the only earning member of the family. Under this scheme, the Government will provide one-time lump sum assistance of INR 20,000/- to the bereaved household in the form of compensation.

d) National Maternity Benefit Scheme : Under NMBS there is a provision for the payment of Rs. 500 per pregnancy to women belonging to poor households for pre-natal and post-natal maternity care up to first two live births. The benefit is provided to eligible women of 19 years and above.

e) Annapurna : This scheme was started by the government in 1999–2000 to provide food to senior citizens who cannot take care of themselves and are not under the National Old Age Pension Scheme (NOAPS), and who have no one to take care of them in their village. This scheme would provide 10 kg of free food grains a month for the eligible senior citizens. They mostly target groups of 'poorest of the poor' and 'indigent senior citizens'.

f) Integrated Rural Development Program (IRDP) : The Integrated Rural Development

Program (IRDP) was launched by the Government of India during 1978 and implemented during 1980. The aim of the program is to provide employment opportunities to the poor as well as opportunities to develop their skill sets so as to improve their living conditions.

IRDP is described officially as a major mechanism for the alleviation of rural poverty. The main objective of IRDP is to raise families of identified target group below poverty line by creation of sustainable opportunities for self-employment in the rural sector. Assistance is given in the form of subsidy by the government and term credit advanced by financial institutions (commercial banks, cooperatives and regional rural banks.) The programme is implemented in all blocks of the country as centrally sponsored scheme funded on 50:50 basis by the centre and the states.

The target group under IRDP consists of small and marginal farmers, agricultural labourers and rural artisans having annual income below Rs. 11,000 defined as poverty line in the Eighth Plan. In order to ensure that benefits under the programme reach the more vulnerable sectors of the society, it is stipulated that at least 50 per cent of assisted families should be from scheduled castes and scheduled tribes with corresponding flow of resources to them. Furthermore, 40 per cent of the coverage should be of women beneficiaries and 3 per cent of handicapped persons.

The programme is implemented through District Rural Development Agencies (DRDAs). The governing body of DRDA includes local MP, MLA, Chairman of Zila Parishad, and heads of district development departments, representatives of SCs, STs and women.

At the grass root level, the block staff is responsible for implementation of the programme. The State Level Coordination Committee (SLCC) monitors the programme at state level whereas the Ministry of Rural Areas and Employment is responsible for the release of central share of funds, policy formation, overall guidance, monitoring and evaluation of the programme.

g) Pradhan Mantri Gramin Awaas Yojana : Gramin (PMAY-G) or Pradhan Mantri Gramin Awaas Yojana (PMGAY) is a communal welfare program initiated by the government of India with the intention to provide low cost housing to the people residing in the rural areas of the nation. This program is in harmony with the government's initiative of providing 'Housing for all' by the year 2022. The PMAY-G has altered the targets of houses to be constructed and has increased the total number to 1 crore homes by 2022.

h) Home Loans under PMGAY: Home loans obtained under PMGAY are eligible for a 3% concession on interest rates on housing loans of up to Rs. 2 lakh. This loan can be availed for upgrading your existing home or for constructing a new home in rural areas.

The following are the main features of PMGAY:

- Modern technology like information communication and space technology are being used to make sure the accurate selection of beneficiaries.
- PMGAY combines all of the following schemes together – Aadhaar platform, Skill India and Jan Dhan Yojana, and Make in India. Besides this, the government is also planning to deploy MGNREGA scheme to train and allocate labour.
- The Swachh Bharat and MGNREGA amongst other institutions funded totilets for the PMGAY scheme.
- PMAY-G beneficiaries are entitled to get 90 days of wage employment in districts under integrated action plan (IAP).
- Drinking water will be supplied to houses under the PMAY-G scheme by the National Rural Drinking Water program (NRDWP).
- Clean and efficient cooking fuel will be

provided to the beneficiaries of PMAY-G.

- Solid and liquid wastes of the households under the PMAY-G scheme will be managed.
- Several amenities such as bio-fenced steps, paved pathways, road, etc. will be provided to the beneficiaries of the PMAY-G housing.
- 1 crore pucca houses are to be constructed for the people of the rural areas in the next three years.
- Totally, 4 crore households will be constructed under the PMAY-G scheme by the year 2022.
- The estimated total expenditure of PMAY-G is Rs.60,000 crore.
- The size of each unit will be revised to 25 square meters. Earlier, the size of each unit stood at 20 square meters.
- The funds will be transferred electronically and directly to the beneficiaries.

5. AGRICULTURE AND FOOD SECTOR

In 2003 the production of agricultural products was approximately worth RS 38 billion, hence, making India the seventh largest agricultural exporter. India is second in agricultural outputs and therefore GDP of the country is based on agriculture. Rice, Milk, Sugar Cane and Wheat are the crops yielding highest outputs.

Gross Value Added by agriculture, forestry and fishing is estimated at Rs 18.53 trillion (US$ 271.00 billion) in Financial Year18.

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year due to its immense potential for value addition, particularly within the food processing industry. The Indian food and grocery market is the world's sixth largest, with retail contributing 70 per cent of the sales. The Indian food processing industry accounts for 32 per cent of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth. It contributes around 8.80 and 8.39 per cent of Gross Value Added (GVA) in Manufacturing and Agriculture respectively, 13 per cent of India's exports and six per cent of total industrial investment.

a) Market Size : During 2017-18* crop year, food grain production is estimated at record 284.83 million tonnes. In 2018-19, Government of India is targeting food grain production of 285.2 million tonnes. Milk production was estimated at 165.4 million tonnes during FY17, while meat production was 7.4 million tonnes. As of September 2018, total area sown with kharif crops in India reached 105.78 million hectares.

India is the second largest fruit producer in the world. Production of horticulture crops is estimated at record 314.7 million tonnes (mt) in 2018-19 as per third advance estimates.

Total agricultural exports from India grew at a CAGR of 16.45 per cent over FY10-18 to reach US$ 38.21 billion in FY18. In FY2019 agriculture exports were US$ 38.54 billion. India is also the largest producer, consumer and exporter of spices and spice products. Spice exports from India reached US$ 3.1 billion in 2017-18. Tea exports from India reached a 36 year high of 240.68 million kgs in CY 2017 while coffee exports reached record 395,000 tonnes in 2017-18.

Food & Grocery retail market in India was worth US$ 380 billion in 2017.

b) Investments : According to the Department for Promotion of Industry and Internal Trade (DPIIT), the Indian food processing industry has cumulatively attracted Foreign Direct Investment (FDI) equity inflow of about US$ 9.08 billion between April 2000 and March 2019. Some major investments and developments in agriculture are as follows:

- Investments worth Rs 8,500 crore (US$ 1.19 billion) have been announced in India for ethanol production.
- By early 2019, India will start exporting

sugar to China.

- The first mega food park in Rajasthan was inaugurated in March 2018.
- Agri food start-ups in India received funding of US$ 1.66 billion between 2013-17 in 558 deals.
- In 2017, agriculture sector in India witnessed 18 M&A deals worth US$ 251 million.

c) Government Initiatives : Some of the recent major government initiatives in the sector are as follows:

Prime Minister of India, launched the Pradhan Mantri Kisan Samman Nidhi Yojana (PM-Kisan) and transferred Rs 2,021 crore (US$ 284.48 million) to the bank accounts of more than 10 million beneficiaries on February 24, 2019.

The Government of India has come out with the Transport and Marketing Assistance (TMA) scheme to provide financial assistance for transport and marketing of agriculture products in order to boost agriculture exports.

The Agriculture Export Policy, 2018 was approved by Government of India in December 2018. The new policy aims to increase India's agricultural exports to US$ 60 billion by 2022 and US$ 100 billion in the next few years with a stable trade policy regime.

In September 2018, the Government of India announced Rs 15,053 crore (US$ 2.25 billion) procurement policy named 'Pradhan Mantri Annadata Aay SanraksHan Abhiyan' (PM-AASHA), under which states can decide the compensation scheme and can also partner with private agencies to ensure fair prices for farmers in the country.

In September 2018, the Cabinet Committee on Economic Affairs (CCEA) approved a Rs 5,500 crore (US$ 820.41 million) assistance package for the sugar industry in India.

The Government of India is going to provide Rs 2,000 crore (US$ 306.29 million) for computerisation of Primary Agricultural Credit Society (PACS) to ensure cooperatives are benefitted through digital technology.

With an aim to boost innovation and entrepreneurship in agriculture, the Government of India is introducing a new Agri-udaan programme to mentor start-ups and to enable them to connect with potential investors.

The Government of India has launched the Pradhan Mantri Krishi Sinchai Yojana (PMKSY) with an investment of Rs 50,000 crore (US$ 7.7 billion) aimed at development of irrigation sources for providing a permanent solution from drought.

The Government of India plans to triple the capacity of food processing sector in India from the current 10 per cent of agriculture produce and has also committed Rs 6,000 crore (US$ 936.38 billion) as investments for mega food parks in the country, as a part of the Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters (SAMPADA).

The Government of India has allowed 100 per cent FDI in marketing of food products and in food product e-commerce under the automatic route.

d) Achievements in the sector :

- Sugar production in India has reached 27.35 million tonnes (MT) in 2018-19 sugar season, as of March 15 2019, according to the Indian Sugar Mills Association (ISMA).
- The Electronic National Agriculture Market (eNAM) was launched in April 2016 to create a unified national market for agricultural commodities by networking existing APMCs. Up to May 2018, 9.87 million farmers, 109,725 traders were registered on the e-NAM platform. 585 mandis in India have been linked while 415 additional mandis will be linked in 2018-19 and 2019-20.
- Agriculture storage capacity in India increased at 4 per cent CAGR between 2014-17 to reach 131.8 million metric tonnes.

- Coffee exports reached record 395,000 tonnes in 2017-18.
- Between 2014-18, 10,000 clusters were approved under the Paramparagat Krishi Vikas Yojana (PKVY).
- Between 2014-15 and 2017-18 (up to December 2017), capacity of 2.3 million metric tonnes was added in godowns while steel silos with a capacity of 625,000 were also created during the same period.
- Around 100 million Soil Health Cards (SHCs) have been distributed in the country during 2015-17 and a soil health mobile app has been launched to help Indian farmers.

e) **Road Ahead :** India is expected to achieve the ambitious goal of doubling farm income by 2022. The agriculture sector in India is expected to generate better momentum in the next few years due to increased investments in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers. India is expected to be self-sufficient in pulses in the coming few years due to concerted efforts of scientists to get early-maturing varieties of pulses and the increase in minimum support price.

The government of India targets to increase the average income of a farmer household at current prices to Rs 219,724 (US$ 3,420.21) by 2022-23 from Rs 96,703 (US$ 1,505.27) in 2015-16.

Going forward, the adoption of food safety and quality assurance mechanisms such as Total Quality Management (TQM) including ISO 9000, ISO 22000, Hazard Analysis and Critical Control Points (HACCP), Good Manufacturing Practices (GMP) and Good Hygienic Practices (GHP) by the food processing industry will offer several benefits.

6. CONCLUSION AND SUGGESTIONS

The growth in agriculture has been a leading source of poverty reduction in most developing countries, especially in the case of extreme and rural poverty. Agriculture contributes to poverty reduction because it provides employment to the poor, who have also generally low skills and education, as well as supporting the growth of non-agricultural employment in rural areas. Growth in agriculture also contributes to a greater supply of food and to lower food prices, and benefits both rural and urban poor.

While it is true that, as economies grow, demand for non-agricultural products and services grows faster than for agricultural products, and that the shares of agriculture in GDP and employment decline over time, the full potential of the agriculture sector for poverty reduction has not yet been realised in most developing countries. Indeed, it is a broadly shared view among the experts that agriculture has been neglected in the past three decades, during which time investment in rural infrastructure has fallen, reducing the capacity of rural economies to generate incomes and employment. It is encouraging to note that, in recent years, interest in the development of agriculture appears to have increased, partly because of rising food prices, concerns about food security in some regions and the effects of growing demand for bio fuels. An important part of this revival of interest in agricultural development is also due to the efforts of organisations such as IFAD, FAO, the OECD, the UN and UNDP, and the World Bank.

Agricultural productivity can therefore be seen as a first step or engine of growth leading to greater income for a country. It is interesting to note that historically no poor countries have reduced poverty only through agriculture, but almost none have achieved it without increasing agricultural productivity in the first instance.

There is a lot of evidence that agriculture can contribute to poverty reduction beyond a direct effect on farmer's incomes. Agricultural development can stimulate economic development outside of the agricultural sector, and lead to higher job and growth creation. Increased productivity of agriculture raises farm incomes, increases food supply, reduces food prices, and provides greater employment opportunities in both rural and urban areas. Higher incomes can increase the consumer demand for goods and services produced by sectors other than agriculture. Such linkages (or the 'multiplier effect') between growth in the agricultural sector and the wider economy has enabled developing countries to diversify to other sectors where growth is higher and wages are better.

Poverty is a social phenomenon in which a section of society is unable to fulfill even its basic necessities of life. Government of India launched several poverty eradication programmes to create assets that benefit the poor and by raising the productivity of the poor through education, public health and other human resource related measures. From the study it is clear that the Government have been attempting the eradication of the poverty through multidimensional approaches. Even though the Government plays major role the implementation of the programmes the success yet vests with the public private partnership where the role and commitment of the private beneficiaries without whom the projects would not success. Recently the NGO's and other forms of the facilitators are playing major role in coordinating the programmes through formation of SHG's. Still the ways to go is long and achievements to be made are immense. A further integration of various projects is essential along with the decentralisation of the powers. The schemes are executed by the Government Bureaucrats.

Voluntary organisations would also play an enhanced role especially as facilitators and social animators in bringing about greater awareness through advocacy. They would also help the poor to form self-help groups with the objective of improving their economic status through concerted action.

It is necessary to recast the special employment programmes with a view to making them more effective in meeting not only the short-term objective of providing temporary work, but also in building up the productive capacity of individuals/areas which, in turn, would make for greater employment on a more sustainable basis. The focus would have to be on agriculture and allied activities, besides rural non-farm sectors and services, which have high employment elasticity. This would require a high degree of convergence among the various poverty alleviation programmes (PAPs), area development programmes and sectoral schemes, within a district plan based on the physical and human endowments of the area, the felt needs of the people and the total financial resources available. Using scientific methods, remote-sensing agencies at the Centre and State level would be asked to provide detailed maps showing land, water and other physical resources of the area, with the aid of photogrammetric and satellite imagery. The detailed maps would then be scrutinized to identify all possible watersheds. Planning along watershed lines would ensure minimum surface run-off, thus conserving water from rainfall. Viable activities in agriculture and allied sectors would have to be selected. Agro-processing activities linked with the cropping pattern, village and small industries with growth potential and other infrastructural gaps would also have to be identified and prioritized. Within this framework, poverty alleviation programmes would be integrated with area development programmes within a developmental plan at the district level.

The measures that should be taken to fight the demon of poverty in India are outlined below:-

a) Growth of population at the current rate should be checked by implementation of policies and awareness promoting birth control.

b) All efforts should be made to increase the employment opportunities in the country, either by inviting more foreign investments or by encouraging self-employment schemes.

c) Measures should be taken to bridge the immense gap that remains in distribution in wealth among different levels of the society.

d) Certain Indian states are more poverty stricken than others like Odhisha and the North East states. Government should seek to encourage investment in these states by offering special concessions on taxes.

e) Primary needs of people for attaining a satisfactory quality of life like food items, clean drinking water should be available more readily. Improvement of the Subsidy rates on commodities and Public Distribution system should be made. Free high school education and an

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