

A REVIEW:

Revival of Indian agriculture for sustainable development : A global prespective

P.K. MANOJ

Asian Journal of Environmental Science (December, 2009 to May, 2010) Vol. 4 No. 2 : 249-257

See end of the article for authors' affiliations

Correspondence to :

P.K. MANOJ

Department of Applied Economics, Faculty Techno-Management, Cochin University of Science and Technology, KOCHI (KERALA) INDIA

Key words :

Sector-wise Composition of GDP, High-tech agriculture, Subsidies, Agricultural Productivity, agricultural exports

Imbalance among the different sectors of Indian economy in respect of their relative contribution to the GDP of the nation has been an issue of utmost significance for the last so many years. The situation is worsening year after year, with the share of agriculture declining year after year, while that of services growing constantly and that of industries remaining rather stagnant. In the peculiar situation of India, thus the much desired balance between "Farm, Factory and Services", is seriously affected. As per the latest statistics (2007), agriculture accounts for just 18.50% of the GDP, while that of industries is 26.40% and the balance more than 55.10% goes to services. It may be noted that the share of agriculture has almost halved from its position in 1990 when it was about 34%. Thus, the need of the hour is to increase its share to 30-35 % level for balanced economic development. Though the industrial sector has been facing the problem of stagnancy over the last 25 years or so with its share hovering around 25-25%, of late, its position rather satisfactory as there are very clear signs of industrial revival. However, the case of agriculture still remains pathetic and that too increasingly year after year. In the above context, this paper seeks to develop a few pragmatic and realistic strategies for enhancing the productivity of Indian agriculture and hence to ensure balanced and sustainable economic development of the nation.

Indian economy has been witnessing a number of radical changes in the ongoing era of economic deregulation initiated in the early nineties. In general, there has been an overall progress in the economy as is evident from the reasonably good macroeconomic stability, surging foreign exchange reserves, favourable balance of payment situation and reasonably good GDP growth rate. Above all, there exists a very strong, resilient, dynamic and healthy banking sector which is one of the best among all the emerging economies. Furthermore, as opposed to the prolonged stagnancy in the

industrial sector in general (and manufacturing sub-sector in particular) over the last one decade or more, of late there have been clear indications of an industrial revival primarily propelled by the buoyant manufacturing sector. However, in spite of all these favourable outcomes of economic deregulation in India, there are certain very disappointing aspects also. Of these, one of the most chronic problems that the economy faces is that of a constantly declining performance of the agricultural sector causing imbalance between the different sectors and hence adversely affecting the overall economic development. This in turn has resulted in many other problems like, growing unemployment, migration from rural to urban areas, widening of rural-urban divide, problems of fast urbanization, growing marginalization and deprivation of the poor from the developmental process and so on. These adverse effects of economic deregulation may result in the growth process becoming unsustainable and hence may hinder the fast economic development of the nation. As already noted, the most distinguishing aspect of the above problems is the crisis faced by the Indian agriculture sector. Agricultural crisis may be because of different reasons and the implications of the same also are quite diverse and also far reaching. The fact remains that about 50 per cent of the population of this developing country still depends on agriculture for livelihood, either directly or indirectly, even though the contribution of agriculture to the nation's GDP is rather low and is declining year after year.

Analytical significance:

In a developing nation like India, wherein majority of the population still depends on agriculture for livelihood, it is imminent that this sector should grow in tandem with the other major sectors. There should be a balance between the three major sectors *viz.*, services, industries and agriculture. This in turn can bring

Accepted :
October, 2009