CHAPTER VI

SUMMARY AND CONCLUSION
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The study of an economic analysis of farmers movement – A Case study of Karnataka Rajya Ryota Sangha (KRRS) is made with an introductory chapter on farmers movements in India – study in the place of agriculture in the development scenario’s of India, as this is an important economic activity for more than 71% of the population in India even today. In spite of the modern economic development initiated in the planned development process form 1950, the development has not been able to divert majority of the population from agriculture. This necessitated the development of agriculture as an important economic activity, where in it can sustain the livelihood of the dependants on this sector. So the first chapter analyses the role of agriculture in the development paradigm of India, also analyses the place of agriculture in Karnataka economy.

The elements of agricultural development like public investment, private investment in agriculture, institutional support for the growth of agriculture, issues of liberalization during the early 1990’s the new challenges its throws on the development of agriculture and the emergence of Karnataka Rajya Ryota Sangha (KRRS) as a by-product of historical neglect of agriculture are discussed. The objectives of the study are set on the basis of which three hypothesis for the study were formulated, methodology of the study were formulated, methodology of the study was indicted an extensive review of the study made on this area is reviewed, chapter scheme is laid with titles for each chapters the scope of the study, with limitations of the study is indicated in the first chapter.

The second chapter exhaustively makes an analysis of the growth of farmers’ movements in India, with a classification of pre-independence and post independence period. Starting from the indigo cultivator’s strike of 1860, Maratha uprising in 1875, to agrarian struggles in Bengal form the Farmers
movements of the 19th century. In the 20th century movements, the All India Kisan Sabha movement, farmers movement Punjab, Gujarat and the Bardoli Satyagraha movement of farmers are analyzed. The farmers’ movement in Rajasthan, the shekhawati farmers movement, the farmers movement of Tevaga in west-Bengal are analyzed. In the post-independence India, the movements were noticed in Karnataka, then the state of Mysore, Alleppy in Kerals in 1968, Guntur, west Godavari in Andhra Pradesh for wages, were recorded.

In the 1960’s and 70’s the farmers in Punjab, Haryana, Uttar Pradesh were organized on political lines by the parties like Bharatiya Kranti Dal (BKD) later Bharatiya Lok-Dal under the leadership of charanshingh. Later in Punjab Ketbari zamindari Union and Tamilnadu vyavasyigal Sangam, Shetkari Sanghatan in Maharashtra, Bharat Kissan Union (BKU) under the leadership of Sri Mahendra Singh Tikait in Uttarpradeshs, Eastern Rajasthan, Punjab and Haryana.

In 1980 Karnataka witnessed the emergence of Karnataka Rajya Ryota Ryota Sangha (KRRS) as a mighty organization of farmers throughout the state and was able to influence the organization of the farmers throughout the country under the strong leadership of Professor M.D. Nanjundaswamy. This Chapter analyses the nature of organization, character of the demands of the movement, the extent of mobilization and the influence it wielded on the state for making policy.

The third chapter forms the core of the study as the emergence of strong farmers organizations in Karnataka and all around the union o India are due o the deliberate neglect of the agriculture in the development paradigm of India. For the development of India it is explicitly stated in the 1st Industrial city policy resolution of 1948 and the industrial policy resolution of 1956. The place of agriculture in the development paradigm of India and issues relating to the public investment and private investment are discussed. Increasing subsides and reducing capital formation forms the base of analysis. Increasing public sector capital formation through rural infrastructure development Fund is also
analyzed. An increasing debate on national agricultural policy of 2000 and the emergence of KRRS in the 1980’s which form the core of the analysis whether this is due to the historical neglect of agriculture in the development paradigm, the farmers movements are emerging. The issues these movements raised like scientific price for the farmers produce, unjust credit policy - stem motherly treatment of agriculture in taxation, equality in pricing with industries, the real prices and assuring a new life to the farmer’s, constitute the core of the analysis of this chapter.

The IV Chapter analyses Karnataka Rajya Ryota Snghas (KRRS) and the demand for a scientific price for the farmers’ produce. Ensuring better price is a must for the betterment of the farmers’ lot who constitute the core of the rural India. An analysis of the existing price policy and its failure to ensure betterment of the farmers’ lot are discussed. Whether farmers demand for a scientific price is a theoretically sound proposition is a question analytically and theoretically tested. The creation of a commission for agricultural costs and prices has been able to solve the problem of scientific price demand of the movements constitute the core of his chapter. The state is in favour of using the concept of remunerative price than the scientific price. So the creation of CACP to help arrive at a remunerative price by the state, on the recommendations of the CACP.

Chapter V Discuss the KRRS demand of a scientific wages for agricultural labourers. This chapter discusses what is a scientific wage? What this scientific wage the leaders of KRRS mean, when they argue for it. In this context the records do not indicate an agriculture wage indicated by any authority on the land. The only act we come across when we discuss agricultural wages it is minimum wages act of 1948. This Act tries to identify many areas of employment organized and unorganized. Enforcing a wage policy for organized employment is possible through proper legislation, But the organized employment which constitutes the major core of employment, because agriculture and its allied activities dominate the activity scene in India. So to legislate a policy and enforcing it for these unorganized employee group
becomes difficult. So the Government of India enacted a minimum wages Act in 1948, bringing necessary changes in defining employment and essential wages, minimum wages, fair wages and creating enforcing agencies the government of India feels it necessary and also taken care of agricultural labourers who are landless with the MGNREGA and Food security bill passed in the parliament the scenarios in agriculture have been positive, ruling more than minimum statutorily fixed. The shortage of Agricultural labourers speaks of the commanding position agricultural labourers is in dictating the wages. These issues constitute the core of chapter V.

The above analyses and interpretations of the Farmer’s movements in India presents a unique development is the rural domain of India. These movements provided a new critique to the question of what Economic development is? For whom Economic development is? The issues raised by these movements on the question of the development panning and the initiation of a development process, the treatment of production sectors in this process and the ways of capacity creation for these sectors and the population which denied their livelihood from these sectors were basic issues to be resolved in this process.

But the process of Economic development decided in India after independence favoured few sections of the society like industry and manufacturing, without bothering about the majority who lived in rural India which constituted the chope of India as a society. Even treating Agricultural and its allied activities with the total neglect, thus ignoring the question of livelihood and survival of the majority of the population, for whom Agriculture and its allied activities constituted the only source for their livelihood and survival.

This deliberate neglect resulted in rural India silently watching for 30 years and started reacting strongly to the accepted paradigm of development, where the rural India had no place. So this reaction of rural India introduced a new discourse to the development paradigm. Initially the response of the Government at the Centre and state reflected negative. But time prevailed over
the political parties to accept the new-discourse of the Farmers and to start the
development dialogue keeping Farmers at the Centre of development discourse.

Agriculture also contributed more to the Gross domestic product, at more
than 50%, still, Agriculture did not find a respectable place of importance in the
development planning. Development planning considered Agriculture not as the
core sector of the economy. Agriculture was expected to play only the role of
supplementary sector to the core of development agenda – Industrialization.
Agriculture was supposed only to supply cheap raw materials for the Agro-based
Industries.

• Agriculture was expected to supply cheap food to facilitate keeping the cost
of living Index low, so that, the wage as an important component of cost in
the process of Industrialization can be maintained at low level to facilitate
profits for the investments in the Industry. Agriculture is neglected in the
Indian economy.

• Historically Agriculture is the main source of livelihood to 93% of the
population at the time of independence only 7% of the economy comprised
of non-agricultural enterprises.

• An activity like agriculture which is a source of livelihood of the majority of
the population was not given a due place in the development planning of
India.

• Agriculture consisted as a major source of activity in the Indian economy
with its allied activities like dairying, poultry, sheep and goat rearing, piggery
consisted the core of the economy in also generating employment to the
majority of the population.

• The development paradigm never considered investments in agriculture as
important because investments in Industry are highly rewarding and
profitable, not the investments in agriculture by the Government of India.

• Lack of public investment did not create an environment of private
investment by the Farmers, because Farmers investments were proved to be
disastrous for the Farmers.
• The lack of Public Investments successively in the development period upto 1980, failed to create assets in agriculture to facilitate Farmer’s investment profitable leading to the collapse of Agriculture as a sector to sustain the dependants with a dignified living.

• The capital accumulation in agriculture is very low, due to no public investments in asset creating activities. Lack of opportunity for a dignified living for the dependants lead them for their desperation in the 1990’s resulting in suicides of the Farmer’s becoming a reality in large numbers.

• The crime records of Government of India recording 2, 87,965 Farmers committing suicide uptill November 2011. Farmers organization at the all India level put these suicides at more than 10 Lakhs. The Government does not like to record the death of a Farmer, due to economic desperation. If it is, then the Governments at the State and the Centre have no moral authority to continue ruling. In the Independent India’s history it is only Farmers as a Group, committing suicide, for agriculture can no longer sustain them with a decent living. Historically the Government have failed Farmers of this country, without strengthening Agriculture, there has been a deliberate attempt to weakening the structures of agriculture. Even Prime minister Dr Manmohan Singh indicated the structures of agriculture to sustain a large population has been too weak to sustain.

• From 1950 the initiation of development planning did not feel the need for public investment in asset creation activities like production of improved varieties of seeds, like high yielding varieties, which did not need more Capital Investment like hybridization. Hybridization was not essential in the early years of agriculture development. Capacity building for Chemical Fertilizers an essential ingredient for the development of agriculture, pesticides and insecticides essential for plant protection, were not planned to create.

• Since Indian agriculture is a Gamble in the monsoon, Capacity for increased irrigation facilities should have been created.
• Technical Support and extension services extended to the Farmer’s field did not come through by the Government.

• Market services were not created, keeping in mind the nature of Farmers, agricultural development, the created marketing system facilitated the middlemen to systematically exploit the Poor farmers.

• Measures to ensure better remunerative system for the hardwork the Farmers put in producing crops were not taken care of in the pricing of the agricultural produce, instead were more exploitative for the Farmers. The price policy of the Government reflected more the deliberate depression of agricultural prices of the Farmers produce than remunerative of the Farmers Costs in production and hard work he puts-in producing the crops.

• This deliberate neglection of agriculture in the development paradigm of India from 1950 to 1980 brought rural India to such a situation of desperation, They started reacting strongly to this neglect in history. This uprising in rural Karnataka is not unique to Karnataka State alone, this became an all India panorama. This reaction of the Farmers against the development paradigm has come to be called as Farmers agitation of India.

• This agitation of Farmers is an all India phenomena, comprising states like Punjab, Haryana, Uttar Pradesh, Rajasthan, Madhya Pradesh, Odissa, West-Bengal, Maharashtra, Andhra Pradesh, Karnataka, Tamilnadu and Kerala.

• This widespread discontent of rural India has introduced new discourse into the development debate of India.

• The discourse Farmers agitation has created is an antithesis for the development thesis or discourse Government of India perceived as a new development paradigm.

• These Farmers agitation called for a new development discourse keeping agriculture, Farmers, rural India in the Central stage of development agenda.

• Though initially the reaction of the Governments for the Farmer’s new discourse was negative. The farmers resorted to strong agitational methods, where state tried to suppress these agitations with police and other security
forces. In Karnataka alone, the state killed 165 Farmers, though Farmers agitations were non-violent in their process.

- Farmers movements gave a new life to Gandhian ways of agitations, being purely non-violent and showing disobedience to the state machinery which use to react with oppression of the Farmers through force. The questions the Farmers movements raised in the 1980’s were very fundamental for any development discourse to consider in independent India’s development discourse.

- They demand 80% of resources for the development of rural India, as they constitute the majority in the Indian economy. By 1989 the Farmers emerged as the centre of political dialogue for all shades of political parties.

- In the general elections of 1989, All political parties declared their commitment for the development of rural India and considering Farmer as the epi-centre of all development decisions.

- All political parties vied with one another in promising scientific price for the Farmer’s produce, writing off of all unjust Famer’s produce, writing –off of all unjust Farmer’s loan, devolving more resources for the development of rural India.

- Even for the first time an agricultural policy was talked- of in the elections after the independence of India. On the international front, the world capitalism was undergoing a transformation to see agriculture and its allied activities turning out to be the source of profit during the future of years of 1990’s 2000 to 2025.

- In the name of Bio-technology the world capitalism conspired to take-over the agriculture and allied activities into the fold of international capitalism.

- In the initiation of the 8th round of negotiations of General Agreement on trade and Tarriffs (GATT) IN South American country, Uruguay’s capital, Punta-del- esta the international capitalism introduced the issues of Trade Related issues of investment (TRIMS), Trade Related intellectual property rights (TRIPS) and General agreements on services (GATS) as important areas for the future development of the world to come to an agreement which
open-up the world for a new prosperity. By intelligent undercovering the respect the world showed in keeping agriculture and allied activity areas outside a multi-lateral trade regime. As they respected the sovereign rights of the nation states to exercise their sovereignty in coming to an agreement on Agriculture and related activities in a Bi-lateral arrangement, the World leaders after the II world war were magnanimous in showing this respect to the sovereignty of the nation states in framing their own policies regarding agricultural and its allied activities. The trade authority was allowed to interfere in the rights of the newly developing countries. This respect was negated by the world community by 1986 when they initiated a new agreement on the very issues which the Bretton woods community considered sacred exercise of the sovereign authority of the states.

- India also passed through a difficult phase during 1989-91 experiencing a severe balance of payments crisis, pushing India almost on the verge of collapse.

- By 1991, the general election pushed in a minority weak government, resulting in the world capitalism pushing India along the world move towards liberalization and Globalization, resulting in India signing the GATT agreement without any reservations on December, 19, 1994, in the Morracco’s Capital city Marrakesh. This gave a big blow for independent policy initiative for the development of their agricultural sector by the newly developing countries to protect the livelihood of the majority of the population. Now the livelihood questions have been put at the mercy of the international capitalism.

- Post-liberalization India believes in development of agriculture on no public investment by the state and Farmer’s investment on his farms. Private capital has to take-over the development of agriculture.

- Agriculture development now seen not in terms of Farm based efficiency of the Farmers. Now value addition per acre of land is the criteria of measuring the efficiency.
• Now Agriculture has become a contract agriculture or corporate agriculture as Farmers based agriculture is in efficient terms of value-addition per acre.

• This Gross neglect historically of public investment in agriculture has resulted in Agriculture contributing as low as 14.2% to the GDP of the country.

• A 71% of rural India contributing only 14.2% to the GDP speaks of the predicament of rural India in terms of its share in the national cake.

• As per NSS 63rd round the per-capita consumption expenditure of rural India is declining fast.

**Testing of the hypothesis – I**

The above facts, shows how historically Agriculture as a sector, has been systematically decapacitated, without public investments and the life of the dependents to an undignified existence. This proves my first hypothesis sight, that is, the emergence of Farmer’s movements in India are due to the deliberate neglection of agriculture in the new-development paradigm.

• Regarding price policy of Agriculture goods, the policy indicated deliberate depression of agricultural prices.

• Deliberate depression of agricultural prices the state feels is a must to facilitate industrialization of the Indian economy. Industrialization is defined as modern economic development as the new development economics in the Post II world war initiative of a development process in the newly independent countries of Asia Africa and Latin-America under the guidance of the Bretton-woods institutional system.

• To keep the process of industrialization going undeterred it is essential to keep the food article prices low, so that the cost of living index can be maintained low.

• Low cost of living index makes wages to rule low. This increases the profitability of the industrial investment.
• This profitability has been ensured by the state. So that the process of Industrialization ensures prosperity for the nations.
• This has been made amply clear in the Industrial policy of 1948 and made it explicit in the industrial policy resolution of 1956.
• Though severe setbacks in the form of high inflation, 3 wars drought, and famine during 1960s and political instability in the early 1970’s the Government of India continued with the policy of industrialization, without caring for the agriculture, which was still supporting major proportion of the population.
• These development severely threatened the very survival of rural India as a community, this lead to the second generation educated youths of independent India started questioning the development paradigm which completely neglected agriculture and dependants and its well-being.
• This questioning by the youths of the development paradigm, brought in an understanding with the people of regions and resulting in agitations by the rural people across the regions of India.
• This Agitation of rural India questioned the reasoning behind this industrialization at the cost of rural India which was 93% at the time of independence, whose main source of livelihood being agriculture. The poverty of rural India they attributed it to looting rural India of its wealth in the form of various crops at a systematically low prices pauperizing the Farmers. The Farmer’s movements questioned the marketing system devised by the Government to facilitate the middlemen to systematically loot the illiterate Famers at a price which they dictate.
• Even today the policy of deliberate depression of agricultural prices is not removed from the policy directive of the agricultural price-policy.
• So the Farmers movements started the discourse of the Famers movement with demanding a Scientific price for the farmers produce being the core of the movements programme. The farmers movements discourses on scientific price varied from one movement to the other. But in essence, ensuring better price for the famers produce remained the basic
philosophy behind all the movement’s theme. Karnataka Rajya Ryota Sangha (KRRS) was more vocal and a theme specific farmers movement in defining what is a scientific price for a crop, for different seasons and regions.

- This approach to a scientific price for the Farmers produce through seasons and regions was accepted as the central theme of all India agitation of Farmers movements in their demand for a scientific price for agricultural produce.

- One point programme of increased price demand of Sharad Joshi of Shetakani Sanghatan of Maharashtra was given up as it does not speak of reasoning in the demand. So KRRS argument of a scientific price, stood the test of scientific reasoning so it was accepted by the inter-state co-ordination committee of the farmers movements of India.

- But the scientificness of the scientific price demand of KRRS was proved to be difficult to put to practice by the states. Because of the difficulties associated with the vast data to be collected, collated and analysed and determining the price needs expertise knowledge in the collection of data and collating the data across crops season and regions which have varying factors in influencing production of a crop in a state. The variations at the all India level is still very high. Therefore per se, a scientific price determination involves lot many practical problems. This the Government of India wants to reduce the problem involved in collection of data and collating and still advice the union for formulating a price policy for the season. For this a commission for agricultural costs-prices was created. So too, the states created their own commission of agricultural costs and prices. On the recommendations of these CACPS a support price policy is announced for the crop season by the Government of India and the concerned State Government. Minimum support prices are announced by the central government and the state Government.

- The exercise that goes behind recommending a support price by CACP and the government announced price inevitably be the better price for a
crop for a season and region and an element of scientificness can also be attributed.

- There may be an element of lapse in the announced price, but the effort that goes behind the recommended price, makes it a scientific price. Based on the data collected, collated and analysed and interpreted speaks an element scientificity if there is no MSP announced by the Union Government and the state, the market delivery of a price will squeeze the farmers without calms.

- State procurement at an MSP is a better pricing for many of the crops and regions. Sometimes the state adds as its contributions to the price and procures from the Farmers which compensate the Farmers better.

- Nowhere in the Government document the announced MSP is called as scientific price, but only refers to as Remunerative price. A Remunerative price concept is better than a scientific price.

- The vehemence of the KRRS terms of a scientific price stands less chance of a verification on documents than the Remunerative price of the Government.

- Agricultural economists have favoured the use of a remunerative price than a scientific price. Experts and scholars in the field of agricultural economics feel in the usage of the language remunerative price favours better than other names.

- Government of India documents speaks only of remunerative prices and no-where indicates its announced prices as scientific price. Planning commission also, in its documents and papers reference pricing as only remunerative prices and no-where indicates pricing of agricultural commodities as scientific prices.

- The announced prices, the Government of India, State Governments and planning commission to be scientific, based on the collection of data as accurate as possible, collating the data as scientifically as possible and analysing data as reasonable as possible and announcing the price of
crops for the seasons and regions as remunerative as possible. This is the stated policy.

Testing the hypothesis - 2

The second hypothesis of this study finds that, the Karnataka Rajaya Sangha (KRRS) argument of a scientific price for farmers produce is, though theoretically a sound proposition, in practice it is very difficult to arrive at and secure it to farmers. The workable price policy is a remunerative price policy, which the state announces on the recommendations of the CACP. This recommended price is based on an extensive collection of field data by the CACP, across crop seasons and regions on the basis of which the CACP recommends a price for the government. In turn the government announces it as the remunerative price for the crops, season and regions as MSP, which speaks of a methodology in arriving at a price. So this becomes the best price. So KRRS scientific price stands no test of methodology indicating the hypothesis as not proved right.

- There is no scientific wages as such for agricultural labourers across the country. The minimum wages act was passed in 1948 to take care of all types of works, Job which are unorganized.
- The minimum wage act of 1948 set out the key concept of the living wage, minimum wages and fair wages, besides setting out guidelines for wage fixation.
- The act legally a non-binding one, but a statutory.
- There is no single uniform minimum wage rate across the country.
- The structure of the minimum wage rate has become overtly complex.
- The Act calls for a tri-partite committee for fair wages.
- The tri-partite committee for fair-wage, defined a fair wage as “the minimum wages must be provided not merely for the bare subsistence of life, but also for the preservation of efficiency of the workers by
providing for some measures of education, medical requirement and amenities.

- The Fifteenth labour conference in 1957 added some norms in the fixation of minimum wages

- The cost of three consumption units

- Satisfy the minimum food requirement of 2700 calories per unit.

1. Clothing requirement of 72 yards for a family.

2. Rent of the minimum area, as specified by Government Industrial housing scheme.

3. 20% of minimum wage should be the cost of fuel and miscellaneous items of expenditure.

- In 1987 the parliamentary sub-committee on unorganized labour recommended that facts such as nutrition requirements, poverty, shelter, clothing, fuel, light, medical and educational expenses should be taken into consideration while fixing the minimum wages.

- In 1988, the labour ministers conference recommended the necessity of an allowance that safeguards wages against inflation called variable dearness allowances (VDA).

- In 1991. The honourable supreme Court specifies 25% of the minimum wages should also account for children’s education, required medical expenses, recreation in festivals/ceremonies and provision for old age and marriage.

- National Commission on rural labour (NCRL) recommended the government to introduce a national minimum wages floor level for uniformity. VDA became effective and it is revised twice in a year on April 1st and October 1st.

- The enforcement of this minimum wage is secured at two levels. Central government secures it through the inspecting officers of the chief labour
commissioner, commonly called as industrial relations machinery (CIRM), at the state level, state enforcement machinery. In July 1987 the Government of India set-up regional minimum wages advisory committees. They have to take care of reduction of disparities in minimum wages in different regions of the state, setting-up of inter-state co-ordination council, consultation with neighbouring states while fixing/revising minimum wages.

- In actual practice agricultural wages remained low, due to lack of capacity of the farmers to pay. This situation prevailed in 1980’s and 1990’s.
- But in 2000’s the situation has changed agricultural labours availability has become difficult.
- Even higher wages do not attract labourers to the fields.
- Most of the labour taking the form of contract for a particular work, which makes the cost of labour high.
- Inspite of higher cost agriculture has to be carried on, as this becomes a social prestige for a family, not to allow the land to be fallow.
- Farmers taking note of the difficulties associated with using labour are trying to change the farm practices from high use of labour to reduced or no use of labour on the Farm.
- Extension of horticulture and plantation crops reduces the use of labour, unlike the traditional agricultural practices which requires huge labour at a time in the season.
- Now agricultural labourers can dictate the wages for the land-owning farmers.
- Most of time, labour cost rules very high in agriculture sector.
- Dr Manmohan Singh, the Prime Minister also acknowledge the serious shortage of labourers in agriculture, operating as a bottle neck for the growth of agriculture.
• To overcome this serious shortages of agricultural labourers, communities are experimenting on mutual helpage of labour is practised now in villages.

• This shortage of labour cannot be attributed to MNREGP or subsidised food supplied through public distribution system. These are social welfare programmes the governments have to support and subsidise heavily in order to promote the welfare of these communities.

• These welfare programmes have higher inclusive impact on the people.

Testing of the hypothesis - 3

It is civil society organization, working for the betterment of the rural India, KRRS argument for a scientific wage speaks well of an organization, which cares for people who live in rural areas, without any ownership of land. Their upliftment is also important. So KRRS made scientific wages as one of the core demand. Thus enhancing the respect of the movement, as not just caring for the sectional interests of the land owning groups. But all the population groups who live in rural India and their upliftment above the povertyline in very important. The socialistic approach of the KRRS makes it as one of most national and all enforcing movement of people of rural India.

The IIIrd hypothesis of the Karnataka Rajya Ryota Sangha (KRRS) discourse of a scientific wage for agricultural labourers as an attainable proposition is not proved right in its spirit, because, implementing minimum wages most of the time makes the wages non-attainable. For a long time this proposition has not worked. Now the wages are far above minimum wages, but the farmers find it very difficult to pay these wages. As the prices of agricultural commodities most of the time not remunerative enough to pay agricultural labourers with high wages. Inevitability sometimes makes a higher wages a reality. But these inturn inflict a huge burden on the Farmers.

Since 2007-08 the period of the IIth Five year plan (2007-11) the real farm wages have been consistently rising and increased from a low of Rs 111
per day in 2006-07 to a high of Rs. 154 per day in 2011-12, with an annual average, growth rate of 6.8% per annum in real terms. This should reflect in the reduction of poverty and the increase in consumption expenditure. But the NSSO data shows otherwise indicating declining consumption expenditure in rural India.

With high growth of agriculture GDP which is growing at 3.4% per annum during 11th Plan compared to just 2.4% in the 10th Plan 2.5% in the 9th plan coupled with rising farm prices during this period, driven by global food inflation and followed by significant increases in minimum support prices of major crops, the intervention of the government through MNREGA that empowered rural labour to negotiate higher wages for farm work.

This would facilitate poverty alleviation. In order to ensure that farm mechanization takes place in an economically efficient manner. It is important to free-up the land lease market, so that a market guided optional holding size evolves ensuring rational use of land, labour and capital. Further to absorb rising labour costs, some upword adjustments may be needed in minimum support price of more labour intensive crops, so that farmers incentives and incomes do not suffer.

It appears that rising real farm wages may be good for the country in alleviating poverty and whatever policies have triggered this change need to be pursued further with more vigour.
**Policy Suggestions**

The above analysis of the study leads us to the above conclusions. These conclusions can lead us to new policy initiatives which can be initiated at the All India level and the State Governments and other institutions which are responsible for making policy initiatives for the future of agriculture, Agriculturalists and its allied activities and rural India.

- Agriculture should dominate the new policy initiatives to strengthen the structures of agriculture.

- Strengthening agriculture necessitates the structures of agriculture to be strengthened. Strengthening structures constitute, initiatives in enlarging irrigation capacity, capacity should be created terms of increasing seed production, capacity to increase production of chemical fertilizers, pesticides, insecticides.

- Strengthening the farmers right to conserve, preserve and cultural rights over the seeds.

- Policy initiatives to make the native seeds high yielding.

- A marketing structure keeping the farmers at the centre of the organizing marketing agricultural commodities.

- Policy initiatives to increase public investment in creating a strong structures for the agriculture, inspite of the pressures of the international capitalism.

- Pricing of agricultural produce policy should care more for remunerating the costs of farmers in producing a crop, than keeping the inflationary pressures low in the economy.

- Deliberate policy initiatives to ensure procurement from the farmers to build buffer-stocks to ensure food security to the 75% of the population of India.
• The Government of India should not bow to the World Trade Organisations Agenda of completing the Doha round of negotiations, which insists on the member countries not to have policies for public procurement of food.

• The policy of the Government of India should explicitly state that procurement from the open market for fulfilling the need for food security for the people is not possible.

• To encourage village industries through incentives for production and marketing to reduce pressure on land for livelihood.

• A good policy initiative to increase public investment to increase investment from farmers in agriculture, which add to increase in value addition per acre in agriculture.

• Due to the crisis in non-availability agricultural labours in agriculture, the government should initiate policies to incentivise the mechanization of agriculture.

• Policy initiatives have to be initiated to bring in higher element of financial inclusiveness in rural India.

• Policy initiatives are also essential on a large scale in bringing out diversion of population from Agriculture to non-agricultural occupations making them more attractive in terms of work and income.

• New policy initiatives are needed in the areas of non-sustainability due to increasing chemicalization of agriculture. So agricultural research should be directed towards making agriculture sustainable, through organic farming or nature farming practices, which farmers are experimenting at individual level.

• At the policy level corporatization of Indian agriculture should be discouraged. It is not value addition per acre of cultivation that is
important, but the culture of farming practiced, preserved and going to
rule for some more years as a way of life should be considered, while
making policies of agriculture.

• Contract farming as a policy of encouraging agriculture should be
discouraged. Because Indian agriculture is Farmer Centred and Farmer
based practice. Even a policy of Industrialization of the country has not
been able to bring reduction in dependence on agriculture for majority of
the population in India. So contract farming reduces the value of the
value based farming practice.

The above policy suggestions should be considered while framing a
policy for agriculture. Unlike the west and the U.S.A. where agriculture as an
activity in not inevitable, but for India it is one of the major activity in rural
India upto 71% of the population. It is going to be one of the inevitable life
sustaining activity for the people for some more years to come to sustain the
Indian society.