Chapter X.

General observation and conclusions.

This study of agricultural problems and prospects of resource mobilisation for agricultural development in Goalpara district covers the period from 1953 to 1978. Goalpara district is predominated by rural characteristics, and the agriculture in the district (as also in the other parts of India) is suffering from the absence of many infrastructural facilities, especially it is suffering in terms of poor marketing facilities and backwardness of the rural community.

Agriculture is the chief means of living of the population of the district with its primitive nature. The district's economy depends on the improved economy in the farming household. "Rural uplift is inescapably linked with the development of agricultural sector."1 The district is endowed with favourable climatic and soil condition for production of various types of crops, but crop productivity rate is low, even it is lower compared to that of some districts of Assam (See Ch.II, Sec.2.13).

As much as 78 percent of the district's population are engaged in agriculture with poor land and labour productivity. Labour productivity in agriculture

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for our country as a whole seems to be very poor compared to other developed countries. The following Table illustrates the position:

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage of people in agriculture</th>
<th>One agriculturist's feeding capacity.</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>71</td>
<td>3 people at low level.</td>
</tr>
<tr>
<td>Japan</td>
<td>45</td>
<td>Not available.</td>
</tr>
<tr>
<td>Franch</td>
<td>25</td>
<td>&quot;</td>
</tr>
<tr>
<td>U.S.A.</td>
<td>8</td>
<td>30 people at high level and supplies to underdeveloped countries.</td>
</tr>
<tr>
<td>England</td>
<td>5</td>
<td>10 people at high level.</td>
</tr>
<tr>
<td>Newzealand</td>
<td>14</td>
<td>96 people on an average.</td>
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</tbody>
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The traditional outlook of the farmers and the traditional handicaps such as illiteracy, small holdings etc. are the main causes of the low productivity of the Indian agriculture. So is the case in Goalpara district where traditional type of agricultural practice is still going on.
Though the farmers have been sensitive to modern way of life as a result of growing townships, film shows, publicity etc., modernity in agriculture is too far from them as yet. On the other hand the population of the household farms has doubled itself since 1951 and the land holdings have been smaller in size. So agricultural production has failed to keep pace with the growth of population. The problem has been further accentuated by growing township population who depend on the farms for all sorts of agricultural produce. As a result of this, unbalanced distribution of agricultural production between these two groups of people (urban population and farming population) has deteriorated the economic condition of the farmers putting them into a disadvantaged position. "Agricultural adjustment poses another set of issues for Govts. and society to cope with at the national level. There are essentially two sets of these issues: aggregate adjustment of farm output to aggregate domestic and external demand or supply availabilities (and vice versa) and secondly, linkage between the farm sector and national economic and social life when both are changing".¹ When some countries such as Russia are not beset with any technical difficulties, ours is crammed by technical, political and organisational difficulties.²


So once an Israeli agricultural economist remarked "If India could produce 100 farm leaders, her food problem would be solved."\(^1\) This has been proved in some States of India like Punjab, Gujarat, Tamil Nadu, where agriculture has been highly developed by the leadership provided by some farmers in the field of modern agricultural technique.

It cannot be denied that the Government with all its financing and development agencies has not done much to improve the agriculture in India. 12,553 bank branches were opened in unbank areas from June, 1969 to December, 1979. Total bank branches increased from 8262 (June, 1969) to 23,408 (December, 1979) with total deposits from Rs.4646 to Rs.31,316 crores and credit advance from Rs.3,599 to Rs.20,859 crores during that period.\(^2\) Total direct and indirect agricultural advances rose from Rs.227 crores to Rs.922 crores showing an increase of 17.3 percent during the said period in the country.\(^3\)

However, it is true that in the matter of bank branch expansion there has been a relative shift in favour of hitherto neglected regions and States. For example, the share of the Eastern and Northeastern regions in total bank branches increased from 11.66 percent in June, 1969

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to 15.48 percent in December, 1977. For the country as a whole the proportion of bank offices located in relatively under banked States and Union Territories has improved during the period from 5.59 percent to 9.24 percent and that of relatively moderately banked States from 31.47 percent to 36.34 percent. However, a closer analysis shows that the Northeastern States do not stand at any favourable position with regard to credit deposit ratio when compared to most other regions of the country. Although the 'Sanctioned' credit deposit ratio for the Northeastern region shows some marginal increase from 36.3 percent in 1972 to 40.4 percent in 1977, the 'Utilised' ratio declined from 71.4 percent in 1972 to 64.7 percent in 1976. Incidentally, it may be mentioned here that already the 'Sanctioned' credit credit deposit ratio in the Northeastern region is not only lowest among all other regions but also much less than the same for All India. It may be inferred, therefore, that the credit expansion in the region as a whole has been tardy, notwithstanding an increase in the share of rural branches.1

After 1967, a large number of Government Departments and institutions such as Agriculture Department, Banks, C.D. Development Blocks, Cooperative Societies along with other agricultural financing agencies have been established in

Goalpara district as they have been in other districts of Assam to supply the essential inputs and credit for agricultural development. But their poor functions have belied all hopes as discussed in previous chapters. (See Ch.V and Ch.VI). The large number of landless, marginal and small farmers and the poor educational growth in the district have caused a number of problems. A sizeable number of disguised and unskilled persons overcrowding the farming households have reduced the economic viability of most of the farmers and consequently, the proper and optimal resource mobilisation in the agricultural sector has been difficult. Similarly, other infrastructural bottlenecks are also obstructing the agricultural development of the district. "Indian agriculture today has gathered sufficient dynamism, but unfortunately, is not being supported by the necessary infrastructure". Therefore, it has been recognised that infrastructural facilities which are managed poorly are a major cause, if not entirely, for the underdevelopment of agriculture in the district.

The present socio-economic survey has been conducted in 80 villages in the entire district by the author in order to investigate problems and prospects of resource mobilisation for the agricultural development. Besides, the scope of our study included a study of

existing human resources in their quantitative and qualitative aspects, the natural and climatic resources, economic structures, level of agricultural technology and agricultural service facilities like extension, credit etc., level of income and consumption expenditure, investment and saving of rural household farmers living in the surveyed villages.

It seems that the farmers are victims of circumstances on account of over-centralised and theoretical rural administration which are bureaucratic in dealing with the villagers in respect of credit grant etc. Frequent relief and subsidy grant seem to have made them dependent on State administration. Our study, in spite of limitations, reveals that the little relief that is trickled to them, has not perhaps helped them to stand on their feet. The need is therefore, to help them in a way which would make them self-reliant within a given time span.

In most cases, the land records in the district have been found incomplete due to informal distribution and transfer of land by the successors. The land records are not corrected in time after incorporating the changes in the ownership of land.

The assets of the households have been found to be of three groups, viz. immovable, movable and liquid assets. It is difficult to express the cost price of the
immovable assets like agricultural land and houses. The movable assets comprise many articles notably gold, radio, bicycle, cart, furniture, animals etc., the value of which is not easy to ascertain correctly. The bottom strata of the farming households, however, have been found to possess little immovable articles. We also made an attempt to study the living standard of the household farms by recording some assets like land, and movable properties like radio, bicycle, cart etc. as well as by examining the income and expenditure pattern of the farming households. The broad conclusion that emerges is that although the living standard of the big farmers is relatively better than that of the others, yet this does not help capital formation in their farms so as to lead them to adopt the modern technology of agriculture. A higher living standard helps to raise labour productivity. Contact with the outside world can encourage the farmers to opt for improved cultivation originating from better economic opportunities. Examples of Punjab and those of Kaira district of Gujarat have been cited in this connection. The Goalpara district in particular and the State of Assam in general are lacking in this sort of initiative and encouragement.

The big farmers being economically better off than those of the other categories, are in a position to exert control over the others, especially over the landless and
marginal farmers in economic matters. The big farmer becomes an easy lending source of the economically weak farmers who out of sheer distress on many occasions, sell or mortgage the land and other valuables like gold, cows etc. to their creditor.

At the same time, we found in the course of our field investigation that the institutional credit inputs have not possibly flown to big farmers in a way which would energise them to take up cultivation as a real business proposition. Sometimes, the rigid rules, official delay in transaction also make them shy to seek institutional credit. Again most of their lands are cultivated by others on share basis or lease basis, ownership and labour being thereby delinked.

Surplus from crop production in the shape of marketable surplus is a vital issue for the modern cultivation and agricultural development. A large marketable surplus necessitates an efficient marketing structure and an efficient marketing structure has a powerfully stimulating effect on the emergence of additional surplus. ¹

Marketable surplus is a circutous flow of agricultural development linked with marketing efficiency. The surplus production for marketing of the household farms of Goalpara district is very insignificant. As we have seen above, (See Table 8.3 and 8.4 of Ch. VIII) marginal farmers'...
annual surplus on an average is only 0.52 tonne and the big farmer's only 1.7 tonnes from the major crops of paddy during 1978. More dismal picture of the marketable surplus has been obtained from the surveyed households for the other crops.

Market structure is also insufficient to encourage the farmers. On account of marketing difficulties, many farmers have to sell in the village itself sometimes immediately after the harvest to meet their immediate economic needs. The farmers have to cope with time and cost factor and for them, time and cost savings sometimes perhaps compensate price loss from such distress sale. In these circumstances, the marketable surplus does not obviously get proper and adequate price. As a result, the farmers' income and the consumption expenditures are adversely affected. In the true sense, the farmer's consumption is a function of price and the income from the sales of the marketable surpluses only.

The marketable surplus of foodgrains from the district seems to be very low. As mentioned above, in many cases, the marketable surplus constitutes the distress sale, arising out of extreme need for purchasing essential commodities like cloth, children's education, medicine etc. It may, therefore, be concluded
that the income of the farmers in the district is too low to leave anything to invest for the agricultural development.

Higher income is essential to keep a balanced food consumption. Due to low income, the farmers in India consume more cereals, and almost no nutritious food, "high incomes are the crux of the agricultural problems. This conclusion is further supported by the fact that we in India are not short of foodgrains. We consume double the quantity of foodgrains than an average American or Canadian consumer. What is lack is balanced food which is available only at higher cost that our people cannot afford. Once there is enough income generated at the grass root level, they will turn to non-cereal food. This is the experience of all developed countries."

The nutritional deficiency in India is very high. The average Indian gets only 1800 calories which is far below the required 2400 calories per person per day except in Punjab where a person on an average gets 2832 calories. The intake of calories per man per day in different countries is as follows:

- U.S.A........... 3200 calories.
- U.K............. 3150 "
- German Democratic Republic... 2960 "
- Japan--------- 2460 "

When India's calories consist of 67.50 percent of cereals, U.S.A's is only 29.04 percent.¹

It cannot be denied that nutritious food has a crucial economic effect on the household farms and the agricultural production. In Goalpara district, the consumption of nutritious food like egg, fish, milk, vegetables etc. by the farmers is very poor as we have observed in the course of our survey, and this has a serious effect on the mental preparation of the farmers to adopt the modern agricultural operation with the necessary input resources." The economic growth depends to a large extend upon changes in human thinking which plays the catalyst role in productive process through organisational and managerial ability."²

In conclusion we hope to prove that the resources have not flown into the agricultural sector in a satisfactory manner, and whatever resources flown could not be used optimally by the farmers as they have been offered in small driblets. Often such sub-optimal use of the resources has ultimately turned into a waste, euphemistically called 'help to the rural poor for agricultural development'.'Agricultural research, education


and extension are the three of the essential services that a Govt. must provide for country's agricultural development.1 But in our country, there has not been any three-pronged simultaneous attack to obtain the socio-economic objectives.

The role of agricultural finance in the rural economy of India is crucial because it serves as a pivot to all round growth of the rural sector.2 Supplies and services of credit are to be good to discipline farming.2

In the matter of credit flow, the commercial banks have a great responsibility, but their role should be supported by development of other infrastructures. In mentioning the lead bank scheme for agricultural development, a commercial bank review states that" A Bank Branch Manager alone surely cannot shoulder the total responsibility of achieving all the objectives of the scheme. Of course he has to be a kingpin of the scheme. But active and enthusiastic cooperation of the Govt. Officials and Departments is the most essential for him to deliver the goods.3 To create economic viability of the farms, especially of the small ones, the Bank finance cannot do alone.

The role of Cooperative Societies in mobilising the agricultural inputs for the farmers is very important and inevitable. But if the Cooperative organisation is to play any effective role in this regard, then irrational dictation from urban centres should be replaced by active participation and involvement by local farmers who are directly concerned in the matter of agricultural decision making process. Certain types of vested interest that seem to have invaded even a poor district like Goalpara- as we could observe within the limited scope of our study- must go, otherwise they may insulate the rural poor from the impact of development. A structural change of the Cooperative Organisation appears to be the answer if the benefits- whether coming from commercial banks or Cooperative organisation are to be reaped by the people who really matter, that is by the people who should be the real beneficiaries.

The land reforms are to be more progressive for the success of the Cooperative Societies, otherwise, the weaker sections will be deprived of all benefits of Cooperation. To give benefit to weaker farmers, twofold measures may be taken up- firstly, to ensure equitable and socially just distribution of credit, prefential treatment being given to small farms; and secondly, to link up credit with the provision of other crucial inputs, including advice on cropping pattern, in order to help the
weaker sections of the farming community to help themselves.¹

The credit gap of the agricultural sector has to be filled in jointly by the actions of Cooperatives and the commercial banks. "One of the Cooperative financing has been that just as a physician has to meet his patient in respect of all ailments, the banker has to meet all the requirements of the farmers from production to marketing. Here, it is necessary that the banker should look after (i) improvement in the productive and business efficiency of the farmer, (ii) mobilisation of the surplus generated by increased agricultural productivity and incomes (in the form of deposits), (iii) financing of small scale cottage industries and (iv) coordination of various agencies supplied by the Government so as to bring to bear their effect on the farmers."² The field representatives or field appraisers are to be appointed by the banks, who can study the actual need of the farms and can improve the repaying capacity of the farmers.

The agricultural finance covers (i) crop cultivation expenses including improved seeds, fertiliser etc., (ii) supply of agricultural implements including machinery like tractor and bulldozer, (iii) long term agricultural investment like minor irrigation, development of land under major irrigation projects, soil conservation, land reclamation etc., (iv) common facilities like repairing shop, spare parts shop, (v) soil testing equipment, seed processing, (vi) storage and marketing, construction of Godowns etc. and (vii) other infrastructures such as approach roads in villages, rural electrification, transport, agricultural forum education etc.¹ Most of these inputs cannot be supplied except through higher level planning. Specially, irrigation, electricity, fertiliser, trained extension workers, agricultural credit supply etc. are to be planned at the higher level of the Government machineries. In this matter 'The Strategy of the Intensive Agricultural District Programme' popularly known as 'Package Programme' may be called a land mark in the agricultural development programmes in India. The programme includes not only the concept of package of improved practices, such as improved seeds, fertilisers, pesticides, improved implements, proper soil and water management etc.,

¹ Reserve Bank of India, Bombay - Financing of Agriculture by Commercial Banks, 1971.
(Article: Commercial Banks and Agricultural Finance: Need for New Outlook, Structure and Techniques, Paper No.5, Group I, PP.70-71.)
but also the concept of 'Package Services' consisting of competent technical staff, availability of credit and production supplies, land and water improvement, adequate research information for basing extension recommendations, storage and marketing and price assurance which will enable the cultivators to adopt scientific methods of cultivation."¹ In all these schemes, unless the rural people, particularly small and marginal farmers themselves are directly involved, the motive force for productive activities, that is, the collective need of the rural people will not be realised. In short, in our view, the working people themselves should not become passive elements in the productive process and the development strategy which is likely to shape their future should duly take into account the real aspirations of the farmers including the landless and marginal farmers.

Under the 'Package Programme' scheme the small holdings can be consolidated to adopt modern methods of cultivation. Under the scheme the small farmers can be provided with gainful work within itself. Failing that, Government is to provide unemployment relief to make the small farmers viable to adopt the agricultural resources.²

²Dr. I.G.Patel-'A Policy frame work for Indian Agriculture' published in Eastern Economist, New Delhi, December, 26, 1980, P.1410.
"The Japanese and recent Chinese experience confirms that changes in farm management and agricultural techniques, together with suitable shifts in cropping pattern and utilisation of land will not only make room for additional workers in agriculture but also permit substantial increases in agricultural output per worker." 1

'Socialisation of surplus' 2 could be an important objective that the Government may pursue in order to assure minimum supply price to the low income farmers to relieve their distresses.

As our study reveals, the farming households in Goalpara district have not been able to mobilise the resources into the agricultural sector, mainly due to lack of infrastructural facilities—such as market, Cooperative Societies, banking and other financial institutions, which are inadequately formed without cohesion and co-ordination between them. For example, Cooperative Societies are established in a mechanical and routine manner under the supervision of Government officials." It has been largely realised that education, and not legislation should be the starting point in Cooperation." 3

When lack of infrastructural facilities and uncoordinated action of input supplying agencies have been the major constraints on the flow of agricultural resource mobilisation of Goalpara district, some micro-planning based on the local condition and local resources has been an urgent task. "Any measure whether demographic or agricultural, must be planned in the light of the social situation if they are to be accepted and effective".

In conclusion, it may be observed that general education has a most crucial role in the agricultural development. It can change the attitude and optitude of the farmers. Basic education and informal education through group discussion, social contact etc. can provide infrastructure like socially relevant skill to the individual farmer as well as to the farming community. Thus education can familiarise the farmers with various forces w-hich lead to agricultural development and help them to investigate the present status of agriculture and conduct research and thinking for future and further development of agricultural productivity. The spread of general and functional literacy among the farmers of the district may yet open up a new era of massive agricultural development.