

**Rural Poverty, Unemployment and
Farmers Distress in India:
A Strategy for Rural Development**

B A Prakash

**(Former Professor of Economics in University of Kerala and Chairman,
Fifth State Finance Commission, Kerala)**

May 2019

Contents

Executive Summary		
<hr/>		
	Introduction	8
1	Economic policies of BJP government	9
2	Rural people : Conditions of their houses, household amenities and assets.	13
3	Rural poverty in 2011-12	17
4	Rural employment in 2015-16	18
5	Rural unemployment in 2015-16	22
6	Profile of farmers, agriculture households and problems of farmers	22
7	Causes of the agricultural crisis and demands of farmers organisations	30
8	Conclusions	31
9	The strategy of rural development : Objectives, strategy and policies.	35
	Tables 1-26	43
	Reference	58

Executive Summary

Objectives

- Put back the derailed economy due to unsound policies of BJP to the rails.
- Achieve economic prosperity and better quality of life to all sections of people who have been experiencing misery due to anti-people economic policies of BJP government.
- Rapid alleviation of acute rural poverty experienced by farmers, agricultural labourers, landless and households depending on rural economic activities.
- Solve acute unemployment and under employment of rural youth, educated, females etc. through vocational training, provision of capital and credit, tax exemptions, marketing support etc.
- Solve acute distress of farmers and agricultural labourers through making farming, an economically viable and income earning occupation.
- Achieve rapid rural development by providing basic infrastructure facilities, housing and household amenities, public health, education and public utility services etc.
- Strengthening the rural local governments (LGs) through devolution of more powers.
- Resume economic planning process in the country by reintroducing planning commission.
- Reverse centralisation and concentration of economic and financial powers in the hands of central government.

Strategy

- Achieve rapid inclusive growth aiming lower incidence of poverty, broad-based and significant improvement in health outcomes, universal access for children to school, skill development etc.
- Achieve sustainable development in the context of widespread destruction of ecology, environment and natural resources in India.
- Strengthen the mixed economic framework, increase public expenditure in economic and social welfare front and market intervention to protect small farmers, agricultural labours, self-employed categories etc.

- Reverse the policy of “rich become richer and poor becomes poorer”. Total protection should be given to all small scale producers in rural areas from corporates, multinational companies, importers, whole sale dealers etc.
- Follow asset distribution oriented strategy in the place of benefit distribution strategy for solving poverty.
- Rapid generation of income earning employment, outside agriculture in rural areas.
- Restrict the import of agricultural commodities, industrial products, luxury products etc to maintain stable prices and profitability of agriculture production, SME sector etc.
- Restructure the goods and service tax (GST) by reducing rate of tax and slabs, bring petrol, diesel etc within the tax net, simplify procedures of tax administration etc.
- Withdraw the inspector raj type of controls imposed on possession of cash, use of cash for transaction and other restrictions on cash use.
- Withdraw the restrictions imposed on co-operative banks, non-banking financial institution etc which curtailed distribution of credit to rural economic activities.
- Maintain stable prices for petrol, diesel etc, through withdrawal of the practice of daily fixing of prices and through appropriate market intervention measures.
- Provide gainful and regular employment to the youth and educated through skilled training, apprentice schemes, start-up schemes, credit support, tax exemption for new production ventures etc.
- Discontinue the advance payment of cooking gas subsidy to BPL households.
- Reverse centralisation of economic powers in the following : Allocate plan grants to states by finance ministry, abolition of railways autonomy, curtailment of autonomy of RBI, putting distorted and anti-federal terms of reference of union finance commission, centralisation of fiscal powers, excessive digitalisation, shifting financial burden of CSS to states and attempt to demolish UGC.

Rural Development Proposals

- Construction and maintenance of good quality roads meant for the transport of buses and heavy trucks in all villages in India.
- Construction and maintenance of good quality motorable roads connecting the nook and corner of all villages in India.

- Achieve 100% electrification of all villages and electricity connections to all poor or BPL households. Free electricity for lighting of BPL households and marginal and small farmers for irrigation purposes.
- Information network connections to all villages enabling uninterrupted connections to mobile phones, internet, television, radio etc.
- Ensure public drinking water supply to all villages and all parts of the villages. Distribution of water in tanker lorries in places faced acute shortage of drinking water.
- Every village should have a hospital with at least a qualified doctor, supporting staff.
- In every village primary, upper primary and high schools shall be started by state or local governments.
- Provide financial support for constructing new houses or renovate the houses for BPL and landless labour households living in dilapidated or one room houses jointly by the state and central governments.
- Provide toilet facilities to all BPL households with the financial support of state and central governments.
- Effective implementation of free noon meals distribution to all rural primary and upper primary schools.
- Distribution of LPG gas to rural BPL households at a subsidy of 50% of the price. Payment of subsidy to the dealer and collecting it from Bank will be discontinued.
- Free medical treatment for members of BPL households in government hospitals.
- Full fee concessions (tuition fee, examination fee, laboratory fee and other fees) to students belonging to BPL households in higher studies (post SSLC) in government and aided higher educational institutions.

Rural Employment Proposals

- Top priority should be given to development of rural infrastructure such as roads, bridges, electricity supply, water supply, communications, irrigation facilities, motor transport, education and health facilities etc jointly by state and central government.

- Promotion of more private investment and introduction of new technology to generate new jobs outside agriculture.
- Shift the young labour force from agriculture to non-agricultural jobs through occasional education, skill training, start-up schemes, financial support for starting new production activities, distribution of capital items, machinery, motor vehicles etc.
- A number of short duration, job oriented vocational courses may be started in order to train unemployed rural labour force to work as skilled, technical workers or to start self-employment ventures.
- Promote agricultural development centres for agriculture storage, processing and marketing similar to industrial estates.
- Promote technological upgradation and use of modern technology in farming, harvesting, storage of agricultural produce, rural transport, communication, construction etc.
- Promotion of sports through constructing play grounds, mini stadiums and organising sports events on commercial basis in rural areas.
- Implement a special employment scheme for the rural educated youth having a number of components such as skill training, financial support for starting self-employment ventures, distribution of capital items, subsidised credit support etc.

Farmers Distress: Suggestions

- Formulate national policy for farmers based on the ten major goals recommended by the National Commission on farmers, 2006.
- Implement recommendations of National Commission on Farmers 2006 on land reforms, irrigation, productivity of agriculture, credit and insurance, food security, prevention of farmer's suicides, competitiveness of farmers and employment immediately.
- The root cause of current farmer's distress is unviable and very small agricultural holdings. Take measures to provide more agricultural land to marginal and landless farmers through a variety of measures.

- Implement land ceiling acts and distribute the surplus land, waste land and government land to the farmers for cultivation.
- Give ownership, land lease titles etc to farmers who were denied it due to several reasons.
- State governments may take over uncultivated land from the owners on temporary basis and lease it to farmers.
- Appropriate land legislation may be enacted to promote leasing of land for cultivation while retaining ownership rights with the owner of the land.
- Electricity at free of cost should be given to marginal and small farmers, who use electric pumps for irrigating water.
- In order to reduce the cost of cultivation, the government shall give subsidies on fertilisers to marginal and small farmers.
- All agricultural machinery, implements, fertilisers, pesticides etc used for cultivation and harvesting should be exempted from all central as well as state taxes (Central excise, GST, sales tax etc).
- Impose restrictions on import of agricultural commodities which results in fall in prices of agriculture produce within the country making agriculture production uneconomic.
- In order to prevent steep fall in the prices of agricultural produce during harvesting and other seasons, there is a need for market intervention. The state government as well as farmers associations may start wholesale procuring centres of agricultural produce and maintain stable prices.

Introduction

The rural people in India has been experiencing an unprecedented economic crisis and steady decline in living standards due to unsound economic policies pursued by BJP government at the centre, promoting the rich and destroying the poor, during the last four and half year. There has been stagnation in economic development in rural areas, fall in the living standards of rural people and steady increase in rural poverty and unemployment. The implementation of demonetisation, GST and other measures have destroyed, the informal sector which accounts for 85% of Indian workers and contribute 45% of GDP of India. The category of people who are worst affected by the economic policies are marginal and small farmers, agricultural labourers and those who depend on agriculture and allied activities for their livelihood. There has been wide spread agitation of farmers, demanding better prices for their agriculture produce, waiving agricultural loan and electricity bills, immediate implementation of the recommendation of Swaminathan commission etc. In this context this paper examines, the economic policies of BJP government, the living conditions of rural people, rural poverty, employment, unemployment and the causes of the farmer's distress. Based on this we present a strategy for rural development. The strategy contains objectives and policies for rural development and solving rural poverty, unemployment, farmer's distress and misery of rural people.

The document is presented in the following nine sections.

1. Economic policies of BJP government
2. Rural people : Conditions of their houses, household amenities and assets.
3. Rural poverty in 2011-12
4. Rural employment in 2015-16
5. Rural Unemployment in 2015-16
6. Profile of Farmers, agriculture households and problems of farmers
7. Causes of the current agricultural crisis and demands of farmers organisations
8. Conclusions
9. The strategy of rural development : Objectives, strategy and policies.

1. Economic Policies of BJP Government At The Centre

a) Economic policies

- The BJP government has been following unsound economic policies. The policies are similar to colonial policies of extracting economic surplus from middle class and poor aiming to transfer to rich and ruling class.
- Weakening mixed economy framework through excessive marketization, privatisation of public sector undertakings, import liberalisation, withdrawal of state interventions in market, reduction of subsidies and benefits to common man and centralisation of economic powers of central government are the salient features of the policy.
- Excessive import liberalisation, large scale import of cheap manufactured goods, agricultural products, dumping of foreign goods, opening of trade, banking and real estate sectors to foreign investment, heavy reliance of foreign investment have depressed domestic investment, production, employment, income and domestic demand of products.
- Abandoning planning commission and dismantling an expert and professional body engaged in formulating national development goals, development policies, five year and annual plans, integrating states plans with national plan, allocation of plan grants to states, evaluation of centrally sponsored schemes etc has made India a country without any development perspective.
- Demonetisation of 86% of the currency in circulation on November 8, 2016.
- Severe restrictions on cooperative banks, non-banking financing institutions, money lenders etc, as part of the demonetisation resulting in sharp fall in credit distribution in rural areas.
- Digitalisation to achieve a cashless economy in a country with very poor coverage of bank branches, ATM's and households with internet connections in rural areas.
- Implementation of goods and service tax (GST) from 1st July 2017, and imposition of 18% of tax on products of small scale industrial units which were exempted from excise duties and other taxes earlier.

- Deregulation and daily fixing of prices of diesel, petrol etc based on market fluctuations.
- Lack of transfer of benefits of fall in prices of crude oil to consumers of petrol, diesel, cooking gas etc through reduced prices.
- Maintaining a high level of prices of petrol, diesel etc, through frequent imposition of central excise duties.
- Replacing, cooking gas subsidies by direct transfers and forcing BPL households to pay subsidy amount in advance.
- Conversion of large amount of defaulted bank loans of corporates and rich to the category of non-performing assets in public sector banks.
- Selling public sector undertaking at throw away prices to private sector in the pretext of disinvestment.
- There has been a systematic withdrawal of protection and subsidies given to farmers, land less labourers, producers of small scale industries, traditional industries, self-employed categories and poorer sections of people during the last four and a half year rule of BJP.
- The above economic policies have resulted in the following pattern of redistribution: rich becomes richer and poor becomes poorer.

b) Centralisation of economic powers

- Abolition of planning commission and taking over of powers to allocate, plan grants to states by finance ministry.
- Abolition of autonomy of railways and separate railway budget.
- Curtailing autonomy of central bank (RBI) through forced implementation of demonetisation, forcing to surrender one third of reserve fund and liberalising credit to small scale industries etc.

- Putting unhealthy terms of reference of union finance commission which is against the spirit of constitutional provisions, devolution of central taxes and centre state financial relations.
- Fiscal centralisation through transfer of state taxes to centre, rigid fiscal control over state finances by centre, arbitrary allocation of central grants to state, treating state government as subordinates and reversing the devolution of fiscal and administrative powers of local governments.
- Excessive digitalisation, severe restrictions in use of cash for transactions and implementation of inspector raj type controls to monitor the transactions of people.
- Starting new centrally sponsored schemes (CSS) and shifting a substantial share of financial burden to states.
- Attempt to demolish university grants commission (UGC) and take over the power of allocation of grants for higher education and research to universities by central government.

c) Demonetisation and effects on agriculture and SME sector

- Demonetisation destroyed informal sector which account for 85% of Indian workers and contribute 45% of GDP of India (Implemented on November 8, 2016).
- According to national commission for employment the entire agriculture, except the large plantations came under informal sector.
- Like a human body transformed to a state of paralysis due to lack of blood for circulation, informal sector economy is transformed to a paralysis situation due to lack of cash for effecting millions of economic transaction every minute.
- Demonetisation has pushed the informal economy to a structural retrogression suppressing investment, production, employment, income, consumption and well-being of all people engaged or dependent on the sector.
- It created unprecedented misery, pains and acute financial problem to the entire workers in the country except the 15 per cent in the organised sector.

Agriculture and Allied sectors

- Agriculture depends heavily on cash on its operations and cash shortage has adversely affected all operations of agriculture from sowing to reaping.

- Products of markets were disrupted and there was no demand for the harvested products.
- Large quantities of perishable agricultural products like fruits, vegetables, flowers etc were destroyed due to lack of demand.
- In the case of certain crops, the fall in the price was more than 50 per cent during the first week of demonetisation.
- There was steep fall in the growth of bank credit for agriculture.
- In some parts of rural areas people began to use barter system, that is exchanging one commodity for another due to acute shortage of cash.
- The fishermen forced to sell fish at very low and uneconomic prices due to lack of demand arising due to shortage of cash.

Small and Medium Enterprises (SME) Sector

- Due to acute shortage of cash, resulting in lack of demands for goods, thousands of SME units were shut down.
- Severely affected small scale business according to Centre for monitoring Indian Economy (CMIE). Demonetisation caused loss of about 15 lakh jobs.
- The micro and small industries witnessed a negative growth in bank credit during the post demonetisation period.
- Companies in the organised sector effected substantial cut in the production due to lack of demand for products. This had badly affected the small scale producers supplying goods and their finances.
- There was fall in industrial products produced in the informal sector.
- Adversely affected some segments of export sector such as readymade garments, gems, jewellery etc.

Digitalisation

- Sudden digitalisation having very scant digital infrastructure in rural areas has resulted in counterproductive results.
- It led to large scale destruction of micro, small economic units in retail sectors due to acute cash shortage for transactions.
- It affected credit distribution of non-banking financial intermediaries, informal credit groups etc.
- An RBI report on branch authorisation policy (2016) classified 93 per cent of rural centres in the country are unbanked and depends on distant or semi-urban branches.

2. Rural people : Conditions of their houses, household amenities and assets.

a. Rural population of India in 2011 (census of India 2011)

- High proportion of rural population to total population is an indicator of economic backwardness.
- On the other hand, high proportion of urban population is an indicator of economic development.
- According to 2011 census, India had 83.31 crore rural population (Table 1).
- Rural population accounted for 69% of the total population of India (Table 1)
- Among the major 20 states, four had a share of rural population less than 60% (Gujarat, Kerala, Maharashtra and Tamil Nadu) (Table 2)
- Eight states had more than 75% of rural population indicating acute backwardness (Assam, Bihar, Chhattisgarh, Himachal Pradesh, Jharkhand, Odisha, Rajasthan and Uttar Pradesh) (Table 2)
- Slow urbanisation has been a structural problem of Indian Economy during the last six decades (Table 1)
- Rapid urbanisation is a pre-condition for speeding up of the process of overall development creating better jobs, income, consumption levels and better quality of life.
- For accelerating rural development and urbanisation process, more public investment is required in rural infrastructure such as roads, transport network, electricity, water supply, communications, hospitals, schools etc.

b. Low consumption levels of rural people in 2011-12 (economic survey 2017-18 vol.II)

- Monthly percapita consumption expenditure (MPCE) and share of food expenditure on it are indicators of consumption levels and quality of life.

- A high level of MPCE indicates the higher expenditure on food and non-food items and enjoyment of better quality of life.
- Spending major share of MPCE on food indicates poor consumption levels and low quality of life.
- The rural MPCE expenditure was ₹1430 in 2011-12. This was much lower compared to urban MPCE (₹ 2630) (Table 3).
- The share of food expenditure in rural areas was 52.9 per cent.
- The rural MPCE and share of food expenditure on it indicate very low levels of consumption in rural areas.
- In six major states the rural MPCE is less than ₹ 1200 indicating a very low consumption level which is nearer to the poverty line. (Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha and Uttar Pradesh). (Table 4). The cut-off point of rural poverty line was MPCE of ₹972.
- Of the 20 major states, the share of food expenditure on MPCE in rural areas was more than 50 percent in all states except Himachal Pradesh, Kerala and Punjab (Table 4).
- The above evidences suggest that the incidence of rural poverty is much higher than the poverty estimates of the Expert groups (Ranga Rajan). It is estimated the percentage of rural poor in 2011-12 as 30.9 percent by the expert group.

c. Conditions of Houses, Household Amenities and assets of Rural Households in India in 2011 (Census of India 2011, Houses, household amenities and assets)

Condition of Rural Houses

- 1.09 crore rural households in India (6.5 percent) lived in dilapidated houses (Table 5).
- 7.98 crore rural households (47.6%) lived in liveable or not good houses (Table 5).
- Only 7.70 crore rural households lived in good houses (45.9%) (Table 5).
- On the other hand 68.4% of urban households lived in good houses (Table 5).

- 72 lakhs rural households lived in houses having no exclusive room (4.3%) (Table 5).
- 6.61 crore rural households lived in one room houses (39.4%) (Table 5).
- Another 5.39 crore rural households lived in two room houses (32.2%) (Table 5).
- Of the total rural households 20% were lived in houses with roof using grass/thatch/mud (Table 6).
- Of the total rural households, 18.3% lived in houses with roof using hand-made tiles (Table 6).

Drinking Water

- Of the total rural households 30.8% had tap water as main source of drinking water (Table 7).
- Of the total rural households 13.3% had wells as main source of drinking water (Table 7).
- Of the total rural households 43.6% had hand pump well as main source of drinking water (Table 7).
- Of the total rural households, 8.3% had tube well/borehole as main source of drinking water (Table 7).
- Data on main source of drinking water show that majority of rural households in India do not have access to good quality drinking water.

Electricity

- Of the total rural households, 55.3 % were used electricity for lighting (Table 8).
- On the other hand 92.7% of the urban households had electricity (Table 8).
- Of the total rural households 43.2% were used kerosene lamps for lighting (Table 8).
- The rural households using other sources such as solar, oil etc were very meagre (0.9%) (Table 8).
- A notable thing is 8.97 lakh rural households had no source of lighting (Table 8).

- Lack of electricity to rural households is the basic cause for the acute backwardness of rural India and poor quality of life of rural people.
- Availability of electricity is a pre-requisite for lighting, cooking, entertainment, communications, pumping water, doing household production activities etc at present.
- In this context the policies of rural development should give top priority for achieving 100% electrification of rural households.

Fuel for Cooking

- Of the total rural households, 11.4 per cent used LPG/PNG for cooking (Table 9).
- On the other hand, in urban areas 65% of the households were using LPG/PNG (Table 9).
- This indicates wide disparity in the use of LPG/PNG (Table 9).
- Of the total rural households, 62.5% used firewood for cooking (Table 9).
- Crop residue and cow dung cake were used by 23% of rural households (Table 9).
- From the point of view of health of members of the households and environmental preservation a shift from use of firewood to other items of fuel is a must.

Majority of Rural Households have no Latrine Facility

- Of the total rural households; latrine facility within the premises were available only in the case of 30.7% households (Table 10).
- 69.3% of the rural households in India had no latrine facility within the premises (Table 10).
- It is a shame to note that 67% of the rural households had no latrine facility and practice open defecation (Table 10).
- Of the total rural households only 1.9% had public latrine facility (Table 10).
- Central government says that India has emerged as world's six largest economy under BJP rule. But it is a shame to say that in the world's six largest economy, majority of rural households has no toilet facility and practice open defecation.

Household Assets

- Of the total rural households, 33.4% had television (Table 11).
- Of the total rural households, 5% had a computer/laptop (with or without internet) (Table 11).
- Of the total rural households, 47.9% had mobile phones (Table 11).
- Of the total rural households, 46.2% had bicycles (Table 11).
- Of the total rural households, 17.3% had scooter/motor cycle/moped (Table 11).
- Of the total rural households, 2.3% had car/jeep/van (Table 11).
- In the case of the above household assets, the position of urban households were far better than rural households (Table 11).

3. Rural poverty in 2011-12 (Planning Commission, 2014, Report of the expert group to review the methodology for the measurement of poverty)

- The expert group defined poverty line as a monthly per capita consumption expenditure of ₹ 972 in rural areas and ₹ 1407 in urban areas of India in 2011-12.
- This definition covers only most acute category of poor people. The actual number of poor people will be much higher than the estimate based on the definition.
- 26.05 crore people in rural areas in India are estimated as poor in 2011-12 (below the poverty line) (Table 12).
- The rural poor accounts for 30.9% of the rural population in India in 2011-12 (below poverty line) (Table 13).
- Six states have very high incidence of rural poverty (more than 40 percent). They are Bihar 40.1%, Assam 42%, Jharkhand 45.9%, Odisha 47.8%, Chhattisgarh 49.2% and Madhya Pradesh 45.2% (Table 13).
- States having rural poverty ranged between 30 to 40 per cent are the following. Uttar Pradesh 38.1%, Arunachal Pradesh 39.3%, Manipur 34.9%, Mizoram 33.7%, West Bengal 30.1% and Gujarat 31.4% (Table 13).

- On the other hand the states having a lower rate of rural poverty (less than 13%) are the following. Jammu & Kashmir 12.6%, Himachal Pradesh 11.1%, Punjab 7.4%, Uttarakhand 12.6%, Haryana 11.0%, Nagaland 6.1%, Andhra Pradesh 12.7%, Goa 1.4% and Kerala 7.3% (Table 13).
- The above data shows the incidence of rural poverty is fairly high (more than 30%) in 12 states. There exist wide variations in rates of rural poverty among the states (Table 13).
- In order to eliminate poverty, radical asset distribution oriented policies are needed. There is a need to transfer land and other income earning assets to poor and generation of regular and remunerative jobs in rural areas.

4. Rural employment in 2015-16 (Report on fifth annual employment - unemployment survey (2015-16) Volume I)

- An employed person is defined as a person above the age of 15 years, who engage in any economic activity as self-employed, unpaid family worker, regular salaried/wage worker or casual labourer for a duration of major part of a year.
- Of the total rural households 44% have one employed person or earner per household (Table 14).
- In states such as Bihar, Assam, Himachal Pradesh, Jammu & Kashmir, Odisha, Punjab, Tripura, Uttar Pradesh and West Bengal, more than 50% of the total rural households have only one employed person per household.
- The employment available in rural areas are mostly primary sector related. 59 per cent of the rural workers are employed in primary sector comprises agriculture, forestry, fishing, mining and quarrying (Table 15).
- The share of rural workers engaged in secondary sector activities such as industry, construction, electricity, water supply etc was 20 per cent (Table 15).
- The share of rural workers engaged in tertiary sector activities such as trade, transport, communication, finances, real estate, social services etc was 21 percent (Table 15).

a. Small Share of Regular Employment

- The share of rural workers engaged in regular employment and getting wage salary account for 10.7 per cent for rural India. This is the only category which earn a regular job and better wage compared to other categories of employment (Table 16).
- Some of the states having a small share of rural regular employment are the following. Bihar 7.9%, Chhattisgarh 6.0%, Madhya Pradesh 5.8%, Maharashtra 7.6%, Telangana 6.5% and West Bengal 7.2% (Table 17).
- It is disturbing to note that 89 per cent of the rural households do not have regular wage/salaried person (Table 16).
- A basic reason for the very low income and low levels of living in rural areas is lack of regular and remunerative employment of 89 per cent of rural households.

b. Self-employment

- Persons who operate their own farm or non-farm enterprises or are engaged independently in a profession or trade on own-account or with one or few partners are considered as self-employed. It consists of three categories viz. own account workers, employed and helpers in household enterprises.
- Nearly half of the employed persons in rural areas (49.1%) are employed in self-employment categories in primary related activities and earn very low income (Table 16).
- The states having very high share of self-employed (more than 60%) are the following. Arunachal Pradesh 87.6%, Jharkhand 64.4%, Manipur 67.3%, Meghalaya 62.4%, Mizoram 83.1%, Nagaland 71.5% and Rajasthan 63.5% (Table 17).
- The states having a share of 50 to 60% of self-employed to total employment are Assam 53.5%, Chhattisgarh 51.3, Gujarat 58.2% Haryana 51.1%, Madhya Pradesh 53.8%, Maharashtra 57.4%, Uttarakhand 51.1% and Uttar Pradesh 56.3 % (Table 17).
- On the other hand the states having a low share of self-employed (below 30%) are the following. Kerala 27.6%, Goa 24.7% and Tamil Nadu 24.1% (Table 17).

- Heavy reliance of self-employed categories of jobs consisting of marginal or short duration employment in agriculture, livestock, forestry and fisheries will provide only very low income. Chronic under employment is the feature of this category of employment.

c. Casual Labour and Contract workers

- A person casually engaged in others farm or non-farm enterprises (both household and non-household) and getting either a daily or piece wage is a casual wage labour.
- Of the total rural workers 37.4% are engaged as casual wage workers (Table 16).
- Casual labour accounts for more than 50 per cent of the total employment in four states (Andhra Pradesh 54.8%, Tamil Nadu 56.8%, Telangana 53.0% and Tripura 54.9%) (Table 17).
- Casual labour accounts for 40 to 50 per cent of total employment in 5 states. (Bihar 41.1%, Chhattisgarh 41.5%, Karnataka 44.8%, Kerala 46.6% and West Bengal 49.3%) (Table 17).
- Of the total rural workers the share of contract workers in rural India is 2.9 per cent. In states such as Delhi, Goa, Gujarat, Himachal Pradesh, Punjab, the share of contract workers to total workers was more than 6 per cent (Table 17).

d. Under employment

- Severe under employment is a major issue of the workers in rural areas. Agricultural work is seasonal. Work available in secondary and tertiary sectors are casual in nature and few days of work are usually available in a month.
- Of the total rural workers available for employment 3.8 per cent do not get any work during a period of 12 months.
- Of the total rural workers 1.4% engaged in some gainful employment for 1 to 5 months during a period of 12 months.

- Of the total workers 42.1% got some gainful employment for 6 to 11 months during a period of 12 months.
- Of the total workers 52.7% got some gainful employment during a period of 12 months.
- As 89 per cent of the worker belonged to self, casual and contract categories of workers, the employment means engagement in some income earning economic activities in a few days in a month or few hours in a day.

e. Monthly Earnings

- 27 per cent of the rural households have an average monthly income less than ₹ 5000, which is an income below subsistence level (Table 18).
- States having a high proportion of households having an average monthly income less than ₹ 5000 are the following. Arunachal Pradesh 33.3%, Madhya Pradesh 43.4%, Odisha 32.9%, Uttar Pradesh 34.1% and West Bengal 42.4%.
- Another 30 per cent of the rural households have an average monthly income ranged between ₹ 5000 and ₹ 7500 (Table 18).
- Thus it is disturbing to note that 57 percent of the rural households have an average monthly income ranging between below ₹ 5000 and ₹ 7500 (Table 18).
- The survey found that rural households having an average monthly income above ₹ 10,000 was only 23 per cent (Table 18).
- Large proportion of single earner household, seasonal nature of self and casual employment, severe under employment etc are causes for the low income and low levels of living of majority of rural households in India.
- In the context, the labour and economic policies should address the following issues. Generation of more employment opportunities in regular categories, generation of non-farm rural activities, promotion of livestock development, shift of labour force to secondary and tertiary activities, providing education and skills to children and youth to move to non-agricultural activities, promotion of migration of workers etc are the measures needed.

5. Rural unemployment in 2015-16 (Report on fifth annual – unemployment survey (2015-16) Volume I)

- According to the survey results, the rural India is facing acute unemployment.
- Unemployment rate in rural areas is 5.1 per cent. This means that 5 per cent of the persons in age 15 years and above who are available for work could not get work during the reference period of one year (Table 19).
- 4.2 per cent of male labour force and 7.8 per cent of female labour force are unemployed. Unemployment rate of females are very high (Table 19).
- The rural unemployment situation is alarming in some states. The unemployment rate is more than 10 per cent (Goa 15.0%, Himachal Pradesh 11.7%, Kerala 12.5%, Sikkim 18.4% and Tripura 20.3%) (Table 20).
- In some states the unemployment rate is in the range of 7 and 10 percent (Arunachal Pradesh 9.3%, Jammu and Kashmir 8.3%, Jharkhand 7.3%, Rajasthan 7.7%, Uttarakhand 8.1% and Uttar Pradesh 7.6%) (Table 20).
- It is likely that the actual rate of unemployment will be much higher than the above estimates due to the following reasons. (1) A good number of persons reported as employed may be getting only few days or few hours of work per day, (2) those who get some work may be getting work for only a small fraction of the time, they are available for work and (3) existence of severe under employment.

6. Profile of farmers, agriculture households and problems of farmers

a) Profile of farmers and agricultural households (Agricultural Statistics, Department of Agriculture Co-operation and farmers welfare)

Agriculture Workers

- India had 26.31 crore agricultural workers consists of cultivators and agricultural labourers in 2011 (Table 21)
- Agricultural workers accounted for 54.6% of total workers in India (Table 21).

- Of the total agricultural workers, the share of agricultural labourers was 54.9% (Table 21)
- Though agricultural sector employs more than half of the work force in India, its contribution to GVA was 21.75% in 2011-12 (at current prices)
- Due to slow pace of economic change in rural areas and agricultural sector during the last seven decades, the sector remains backward and accounts for major share of employment.

Category of farmers

- The farmers may be classified in to five categories depending on the area of agriculture holdings, namely marginal, small, semi medium, medium and large.
- The marginal farmers having an area of operational holdings less than one hectare accounts for 67.1% of total farmers (Table 22)
- The marginal farmers have very small and uneconomic size of holdings (the average size was 0.39 hectare) (Table 22)
- Though the marginal farmers account for 67% of the total farmers, their share in total area of cultivation is only 22.5% (Table 22).
- The land ownership pattern is such that vast majority of marginal farmers do not have a size of holding sufficient to earn a reasonable income.
- On the other hand a small number of farmers consists of medium and large (4.9 per cent) have an average holding of more than 4 hectares and possess 31.8 per cent of the total cultivated area.

Land possessed by agricultural households

- Possession of tiny, very small and uneconomic size of agriculture holding is the basic cause for low earnings, indebtedness, severe unemployment, under employment and agrarian distress in India.
- 24 lakh agricultural households have possessed a very small piece of land of the size of less than 0.01 hectare (2.65% of total agricultural households) (Table 23). These households do not have any income from their land.

- Another 288 lakh agricultural households have possessed land in the size of 0.01 to 0.40 hectare (31.89% of the total agricultural households) (Table 23). With the small piece of land, a farmer cannot earn a reasonable income and will be forced to live in perpetual poverty.
- 315 lakh agricultural households have possessed land in the size of 0.41 to 1 hectare (34.9% of the total agricultural households) (Table 23)
- Thus of the total agricultural households, 69.44% of the households have an operational holding ranging from 0.01 hectare to one hectare of land. This is the category of marginal farmers which experience severe distress. (Table 23).
- On the other hand, the medium and large farmers possess more than 4 hectares to above 10 hectares land and earn a better income from agricultural operations. These farmers can also avail bigger amount of loans for agricultural operations from banks and other financial institutions.

Marginal farmers : State wise situation

- We have seen that, of the total number of operational holdings, the share of marginal farmers is 67.1 per cent.
- A feature of the share of marginal holdings is its wide variations between states. The share of marginal holdings to total in the states ranged between 3.63% and 96.32% (Table 24).
- In five states the share of marginal farmers to total farmers was more than 80 percent (Bihar 91.06%, Jammu and Kashmir 83.25%, Kerala 96.32%, Tripura 86.26% and West Bengal 82.16%) (Table 24)
- In another six states the share of marginal farmers ranged between 70 and 80 per cent (Goa 76.78%, Odisha 72.17%, Tamil Nadu 77.19%, Uttar Pradesh 79.45% and Uttarakhand 73.65%) (Table 24)
- The average size of holdings of the marginal farmers was very small in all states in India.
- The share of area cultivated by marginal farmers to total area in majority of the states were less than 25 percent (Table 24)

- An important cause for acute rural poverty, unemployment, backwardness and low quality of life of rural people are due to the large proportion of marginal agricultural holdings in rural areas

Agricultural households (State wise)

- A high proportion of agricultural households depending on subsistence production or very small scale of production indicates economic backwardness.
- The estimated number of agricultural households in India was 9.02 crores in 2012-13. It accounts for 57.8% of the total rural households in India (Table 25)
- In six States the percentage of agricultural households to rural households exceed 70 percent (Jammu and Kashmir 82.1%, Madhya Pradesh 70.8%, Meghalaya 75.1%, Mizoram 81%, Rajasthan 78.4% and Uttar Pradesh 74.8%) (Table 25)
- Majority of the agricultural households forced to borrow money for agricultural operations as well as for household expenditures and are in debt. (51.9% of the agricultural households are indebted) (Table 25)
- In five states more than 70 percent of the agricultural households are indebted (Andhra Pradesh 92.9%, Karnataka 77.3%, Kerala 77.7%, Tamil Nadu 82.5% and Telangana 89.1%) (Table 25)

Monthly income of agricultural households

- The NSS survey on situation assessment of agricultural households indicate a dismal picture about the monthly income of agricultural households.
- The agricultural households have a monthly income which is very low and near to the subsistence level or poverty line. (The average monthly income is ₹6426) (Table 25)
- In six states the average monthly income per agricultural households was below ₹ 5000, indicating a level of living below poverty line (Bihar ₹ 3558, Jharkhand ₹ 4721, Odisha ₹ 4976, Uttar Pradesh ₹ 4701, Uttarakhand ₹ 4923 and West Bengal ₹ 3980) (Table 25)
- Only six states have an average monthly income of more than ₹10,000 (Arunachal Pradesh, Haryana, Jammu & Kashmir, Kerala, Meghalaya, Nagaland and Punjab) (Table 25)

- One of the major reasons for the low income of the agricultural households is the low wage rate of agricultural workers. The average daily wage rate of a male agricultural worker was ₹ 281 and female ₹ 218 in 2015-16 (Table 26).

b) State of Indian farmers : A Report, 2014 (The Centre for Study of Developing Societies (CSDS)).

Socio-economic profile of Indian farmer

- The survey of 5,000 farm households across 18 states says that 76 per cent farmers would prefer to do some work other than farming due to poor income, bleak future and stress.
- 36 per cent farmers live either in a hut or a kuchha house. 44 per cent live in a kutchapucca or mixed house. Only 18 per cent of them have a pucca independent house.
- 28 per cent of the farmers were found to be non-literate. 14 per cent have passed matric (Class X), and only 6 per cent entered for a college degree.
- Overall 83 per cent of the farmers consider agriculture to be their main occupation (varies from 62 per cent in Tamil Nadu to 98 per cent in Gujarat).
- 32 per cent of the farmers do work other than farming for additional household income.
- In past one year approximately one in every ten farmers said that their family had to remain without food on few occasions.
- Most farmer households (61 per cent) have two meals a day. Only 2 per cent have one meal a day and 34 per cent eat more than two times a day.
- 65 per cent farmers said that other members from the family also helped in activities related to farming.
- 75 per cent of the farmers said they are engaged in farming for more than ten years.
- 86 per cent of the farmers or their family owns land. 14% of the farmers are landless.
- 79% of the farmers said that agriculture is the main income of their households.
- 76% of the youth belonging to farmer households prefer to work in non-farming activities due to lack of interest in farming, poor earnings, education, risk in agriculture etc.

Issues in farming and support from government

- The survey found that 46% of farmers grow up to 2 crops in a year, 28% more than 2 crops and 26 % 1 crop in a year.
- The major crops cultivated are paddy, wheat, bajra, maize, gram, sugarcane, soyabean, cotton and others.
- The type of fertilizers used by the farmers are the following pattern: organic 16%, chemical fertilizer 35%, both (organic and chemical) 40% and others 9%.
- Only 40% of the farmers said that irrigation facility were available for their entire farming land.
- The most common irrigation are private pumps, bore wells and tube wells. The other sources of irrigation are canal, pond, river, government tube well, water tank etc.
- Nearly 70 percent of farmers said that their crops got destroyed in the last three years due to drought, flood, lack of irrigation facility more or less rain, unseasonal rain, animal - bird attack etc.
- The benefits of government schemes and policies are being mostly given to big farmers having landholding of 10 acres (4.05 hectare) and above.
- Only 10 per cent of poor and small farmers with average land holding of 1-4 acres (0.4 to 1.6 ha) have benefited from government schemes and subsidies.
- 74 per cent of those interviewed alleged they do not get any farming-related information from officials of the agriculture department.
- Majority of the farmers are unaware of agriculture schemes except loan waiver scheme and kissan card.
- And very few per cent of farmers got benefit from the agricultural schemes.
- 62% of the interviewed farmers were not aware of minimum support price (MSP) under which purchases of agricultural products are made from farmers at the rate declared by the central government.
- On the other hand 38% of the farmers are aware about it. And the majority of them said that the rate of MSP is not sufficient.

Problems of Indian farmers

- The survey shows that 45% of the farmers have below poverty line (BPL) ration card; 4 anthyodaya ration card and 1 annapoorna ration card. This indicates that, half of the total interviewed agricultural households belong to the category of BPL or poor.
- 47 per cent farmers said that overall condition of farmers in the country was bad.
- The major problems faced by the Indian farmers are flood and drought, low productivity, lack of irrigation, low income, low farm prices, inflation, depressed economy, institutional issues, labour issues and others.
- The farmers said that the major reasons for farmer suicide in their locality are the following: domestic problem 41%, loan 35% and crop failure 14%.
- Majority of the female members of the farmer households (67%) felt that agricultural income is not sufficient to meet their household expenditure.
- Only 20% felt that agriculture income is sufficient.
- 43% of the female members felt that their quality of life would have been better if the family members engaged in non-agricultural occupations.

c) Agricultural indebtedness (NABARD All India Rural Financial Inclusion Survey 2016-17)

- More than half the agricultural households in the country have outstanding debt, and their average outstanding debt is almost as high as the average annual income of all agricultural households
- Only 48% of these are defined as agricultural households, which have at least one member self-employed in agriculture and which received more than ₹5,000 as value of produce from agricultural activities over the past year, whether they possessed any land or not.
- Incidence of Indebtedness (IOI), the proportion of households reporting outstanding debt is 52.5% for agricultural households and 42.8% for non-agricultural households.
- All India IOI taking all rural households together is 47.4%.

- Average amount of outstanding debt (AOD) for indebted agricultural households is ₹ 1,04,602
- Outstanding debt for indebted non-agricultural households is ₹ 76,731
- 43.5% agricultural households reported to have borrowed any money from some source or the other
- 60.4% of agricultural households borrowed from institutional source alone.
- 30.3% borrowed from only informal sources and 9.2% of agricultural households borrowed from both sources
- The average annual income of an agricultural household is ₹1.07 lakh.
- Only 10.5% of agricultural households were found to have a valid Kisan Credit Card
- The major reason for taking loans among agricultural households was capital expenditure for agricultural purposes
- While 19% of loans were taken for meeting running expenses for agricultural purposes, another 19% were taken for sundry domestic needs.
- Loans for housing and medical expenses stood at 11% and 12%, respectively.
- The highest incidence of indebtedness came from those owning more than two hectares of land. In that category, 60% of households are in debt.
- Among small and marginal farmers owning less than 0.4 hectares, slightly less than 50% of the households were in debt.
- While 46% of the loans were taken from commercial banks, and another 10% from self-help groups
- Almost 40% were taken from non-institutional sources such as relatives, friends, moneylenders and landlords.

7. Causes of The Current Agricultural Crisis And Demands of Farmers Organisations

a. Causes of the crisis in 2019

- 1) Farmers are not getting a remunerative price for most of the agricultural produce. This is due to a number of factors; (i) increase in production of agricultural products and increase in supply, (ii) lack of demand due to demonetisation, goods and service tax (GST) and recessionary situation in the country, (iii) Import of cheap agricultural commodities from foreign countries due to liberalisation of external trade, trade agreements, trade policies to support industries etc, (iv) Limited procurement of food grains by government agencies, (v) Lower minimum support price (MSP) and poor coverage of MSP in the case of agricultural products.
- 2) Failure of the Pradhan Mantri Fasal Bima Yojana, launched in 2016 to provide insurance and financial support to farmers in the event of failure of any crops due to natural calamities, pests and diseases. There is low enrolment in the scheme due to a string of factors including high premiums and lack of interest on the part of insurance firms.
- 3) Lack of irrigation and failure to implement irrigation projects timely and efficiently. Almost two thirds of farmers of India are depends on monsoon rains. Two successive years of drought (2014, 2015) have severely affected the agriculture sector in several states.
- 4) Lack of markets for the agricultural products. Access of farmers to well developed markets remains as a serious issue. Currently no effective market intervention mechanisms are there to stabilize prices in the event of excess supply of agricultural products in cropping seasons.
- 5) Introduction of latest technology has been limited due to a number of reasons. Access to modern technology could act as a boost to productivity through improved variety of seeds, farm implements and farming technology.
- 6) Inadequate facilities to store perishable agricultural products like fruits and vegetables. Large gaps in storage, cold chains and limited connectivity have added to the woes of farmers.

- 7) Lack of food processing clusters for processing of fruits, vegetables, meat products etc.
- 8) Benefits of agricultural subsidies (fertiliser, farm loan, interest, power, irrigation etc) are mainly enjoyed by bigger farmers such as medium and large farmers having an area of holdings more than 4 hectares.
- 9) Uneconomic size of the majority of agricultural holdings (85% of operational land holdings are less than 2 hectares and account for 45% of the total cropped area).

b. Major demands of agitating farmer organisations

- i. A better and remunerative price of agricultural produce. A minimum support price of 1.5 times the input cost for farm produce.
- ii. A complete and unconditional waiver of loans and electricity bills (All India Kisan Sabha has alleged that 1,753 debt-ridden farmers have killed themselves since June 2017).
- iii. The immediate implementation of recommendations of the Swaminathan Commission, which safeguards interests of small farmers.
- iv. Farmers want compensation for crop losses due to unseasonal rain, hailstorm and attack by pests.
- v. The state government to stop forceful acquisition of farm lands in the name of development projects like the super highway, tracks for bullet trains etc.
- vi. Change the parameters used for declaring drought by state/central governments.
- vii. Change in the norms of the insurance scheme in the context of denial of insurance amount due to farmer hostile norms.

8. Conclusions

a) Rural backwardness

- The above review on economic conditions of rural India can be summarised as follows.
- High proportion of rural population, slow rate of urbanisation and acute rural backwardness are the features of rural India.

- The development process failed to make much economic change in the rural economic conditions.
- Majority of the rural population have poor consumption level and live in houses which are characterised as poor, dilapidated and having one or two rooms.
- Majority of rural households do not have access to good quality drinking water, electricity for lighting, LPG/PNG gas for cooking.
- Majority of rural households have no latrine within the premises and practice open defecation.
- Of the total rural households only very few have modern facilities such as computer, internet connection and motor vehicles such as motor cars, jeeps, vans etc.

b) Rural poverty, employment and unemployment

- Very high incidence of rural poverty is another serious issue. Though the official estimate put the poverty ratio as 31 percent, the actual rate may be much higher.
- It is likely that nearly half of the rural population comes under the category of poor, if we consider consumption level, nature of employment, income of households and asset ownership.
- As 89 per cent of the total employment in the rural areas are in the categories of self and casual employment, the wage and income earned is very meagre. This is the basic cause for low income of rural households.
- Majority of the rural households (57%) have an average monthly income less than ₹ 7500 for a household consisting of persons.
- Large proportion of single earner households, seasonal nature of self and casual employment, severe under employment etc are the causes for the low income, low level of living and poverty of rural households.
- Acute unemployment and under employment of labour force above the age of 15 years is another critical issue. Five per cent of the labour force is fully unemployed during the reference period of 12 months.

- In seven states, the unemployment rate ranged between 7 and 10 per cent of labour force and in five states, it is above 10 per cent.
- It is likely that the actual unemployment rate will be much higher than the above estimates due to seasonal nature of employment, availability of small duration employment and severe under unemployment.

c) Agricultural situation and farmers distress

- In spite of the economic development during the last seven decades, agricultural workers consists of cultivators and agricultural labourers account for 55% of the total workers in India.
- Possession of tiny, very small and uneconomic size of agricultural holdings is the basic cause of low earnings, rural poverty, indebtedness, severe unemployment, under employment and agrarian distress in India. 69% of the agricultural households have an operational holdings ranging from 0.01 hectare to one hectare of land.
- It is disturbing to note that 34.54 per cent of the agricultural households have a size of holding range from 0.01 hectare to 0.04 hectare.
- In majority of states in India, the agricultural households have an average monthly income, which is very low and near to the subsistence level or poverty line.
- The available evidences suggest that major share of agricultural households in India do not have a monthly per capita income or consumption expenditure to a level above the poverty line. This means major share of agricultural households in India are poor.

d) Farmers distress : CSDS survey findings

- According to CSDS survey on Indian farmers 61 per cent of the farmer households had two meals a day; 2 per cent had one meal a day and 34 per cent had more than two meals per day.
- According to CSDS survey 76% of the youth belonging to farmer households prefer to work in non-farming activities due to lack of interest in farming, poor earnings, education, risk in agriculture etc.

- According to CSDS survey the major crops cultivated are paddy, wheat, bajra, maize, gram, sugarcane, soyabean, cotton and others.
- According to CSDS survey irrigation facility were available for their entire farming land only in the case of 40% of farmers.
- According to CSDS survey 76 per cent farmers would prefer to do some work other than farming due to poor income, bleak future and stress.
- According to CSDS survey the benefits of government schemes and policies were mostly given to big farmers having landholding of 10 acres (4.05 hectare) and above.
- According to CSDS survey the major reasons for farmer suicide in their locality were the following: domestic problems 41%, loan 35% and crop failure 14%.
- According to CSDS survey female members of 67% felt that agricultural income is not sufficient to meet their household expenditure.
- According to CSDS survey 43% of the female members felt that their quality of life would have been better if the family members engaged in non-agricultural occupations.

e) Causes of the current agricultural crisis

- Farmers are not getting a remunerative price for most of the agricultural produce.
- Failure of the Pradhan Mantri Fasal Bima Yojana to provide insurance and financial support.
- Lack of irrigation and failure to implement irrigation projects timely and efficiently.
- Lack of markets for the agricultural products; inadequate storage facilities to store perishable agricultural products and lack of food processing units.
- Benefits of agricultural subsidies are mainly enjoyed by bigger farmers.
- Uneconomic size of the majority of agricultural holdings.

f) Major demands of agitating farmer organisations

- A better and remunerative price of agricultural produce.

- A complete and unconditional waiver of loans and electricity bills.
- The immediate implementation of recommendations of the Swaminathan Commission.
- Compensation for crop losses due to unseasonal rains, drought etc.
- Stop forceful acquisition of farm lands for development.
- Change the parameters used for declaring drought and change in the norms of the insurance.

g) Issue to be addressed

- From the concluding observations we got a clear picture about the ground realities in rural India relating to economic backwardness, conditions of houses, household amenities and assets of rural households, consumption levels, poverty, employment, unemployment, earnings of people, farmers distress etc, based on authentic sources of data.
- In this context, we should address acute rural backwardness, rural poverty, unremunerative self and casual employment, acute unemployment and under employment, low level of income, poor consumption level, poor quality of life, farmers distress and misery of majority of rural people due to pro-rich and urban oriented policies.

9. The strategy of rural development: objectives, strategy and policy proposals

a. Objectives

1. Put back the derailed economy due to unsound policies such as demonetisation, GST, centralisation of economic powers, excessive marketization and reduction of subsidies and benefits etc back to the rails.
2. We want to achieve economic prosperity and better quality of life to all sections of people, children, youth, older people, unemployed, poor, farmers, landless, self-employed, casual workers and all other sections, who are experiencing misery due to unsound economic policies of BJP government.

3. Rapid alleviation of acute rural poverty experienced by small and marginal farmers, agricultural labourers, landless and households depending on rural economic activities.
4. Solve acute unemployment and under employment of rural youth, educated, females and those engaged in low income earnings, self and casual rural employment activities.
5. Solve acute distress of farmers and agricultural labourers through making farming, an economically viable and income earning occupation.
6. Achieve rapid rural development for providing basic facilities for generation of economic activities, employment, income and better quality of life of rural people. Rapid development of drinking water supply, electricity, roads, communications, irrigation, housing and household amenities, public health, education and utility services etc. in rural areas.
7. Strengthening the rural local governments (LGs) through devolution of more powers, transfer of institutions and staff of state governments to LGs, transfer of powers to formulate and implement local level development plans, assignment of more funds through fiscal decentralisation and more women participation in LG administration.
8. Resume economic planning process in the country by reintroducing planning commission to formulate development goals, policies, strategies and plans such as perspective, medium term and annual.
9. Reverse centralisation and concentration of economic and financial powers in the hands of central government effected by BJP government which are against the federal set up, constitutional provisions and practices followed in the country since independence.

b. Strategy

1. Achieve rapid inclusive growth

Achieving rapid economic growth is a pre-condition for overall development and economic prosperity of a country. But rapid and sustained poverty reduction requires inclusive growth. Inclusive growth should result in lower incidence of poverty, broad-based and significant improvement in health outcomes, universal access for children to school, increased access to higher education and improved standards of education, including skill development and better opportunities for both wage employment and livelihood.

2. Achieve sustainable development

In the context of widespread destruction of ecology, environment and natural resources in India, top priority should be given to sustainable development. Development that meets the needs of the present without compromising the ability of future generations to meet their own needs is defined as sustainable development. Consisting of three pillars, sustainable development seeks to achieve, in a balanced manner, economic development, social development and environmental protection.

3. Strengthening the mixed economy framework

Weakening mixed economy framework through excessive marketization, privatisation and move towards a free market economy are the major causes for the distress of the rural poor and common people. In the context, there is a need to strengthen the mixed economic framework, increase public expenditure in economic and social welfare front, market intervention to protect small farmers, agricultural labours, self-employed categories through appropriate economic policy measures.

4. Reverse the policy of “rich become richer and poor becomes poorer”

The BJP government’s economic policies promote the growth of large corporates, monopoly houses and multi-national companies and destroy small and marginal producers and service providers. Due to the destructive policies of demonetisation, goods and service tax, uniform tax rate for big and marginal producers etc, there has been a steady decline of small and marginal producers. Total protection should be given to all small scale producers in rural areas from corporates, multinational companies and importers through appropriate measures. Taxation, black money and asset ownership policies should aim to reverse the trend “poor becomes poorer”.

5. Follow asset distribution oriented strategy in the place of benefit distribution strategy

Distribution of income earning asset should be the core strategy. Assets such as agricultural land, livestock, capital stock of industries, transport items, capital support for starting industrial and service units etc should be given to deserving persons in rural areas. Marginal farmers, agricultural labourers, land less cultivators etc shall be given land on ownership or lease basis by state/LGs.

6. Generation of non-agriculture employment

Rapid generation of income earning employment, outside agriculture such as livestock, fishing, traditional and small scale industries, agro-processing, construction, transport, trade, communications and other services in rural areas.

7. Restrictions of imports

Restrict the import of agricultural commodities, industrial products, luxury products etc to maintain stable prices and profitability of production of farmers, SME sector etc in India.

8. Restructuring GST

Restructure the goods and service tax (GST) by reducing rate of tax and slabs, bring petrol, diesel etc within the tax net, simplify procedures of tax administration, improve e-filing, increase the turnover limit of small tax payers.

9. Removes controls on cash transactions

Withdraw the inspector raj type of controls imposed on possession of cash, use of cash for transaction and other restrictions.

10. Restrictions on co-operative banks

Withdraw the restrictions imposed on co-operative banks, non-banking financial institution etc which curtailed distribution of credit to rural economic activities.

11. Stable prices for petrol and diesel

Maintain stable prices for petrol, diesel etc, through withdrawal of the practice of daily fixing of prices and through appropriate market intervention. Artificial hike in petrol and diesel through increase in central excise should be stopped.

12. Youth employment

Provide gainful and regular employment to the youth and educated through skilled training, apprentice schemes, start-up schemes, credit support, tax exemption for new production ventures through special employment schemes and other measures.

13. Cooking gas subsidy

As advance payment of cooking gas subsidy is a burden to BPL households discontinue the advance payment of cooking gas subsidy to BPL households.

14. Reverse centralisation of economic powers

Reverse the following measures taken to centralise economic powers by central government. (1) Powers to allocate plan grants to states by finance ministry, (2) Abolition of railways autonomy and separate railway budget, (3) Curtailment of autonomy of RBI, (4) Putting distorted and anti-federal terms of reference of union

finance commission, (5) Centralisation of fiscal powers, (6) Excessive digitalisation, (7) Shifting financial burden of CSS and (8) attempt to demolish UGC.

c. Rural development policies

- Construction and maintenance of good quality roads meant for the transport of buses and heavy trucks connecting villages to nearby towns, marketing and industrial centres, centres of education and health institutions etc in all villages in India.
- Construction and maintenance of good quality motorable roads connecting the nook and corner of each village in all villages in India.
- Achieve 100% electrification of all villages and electricity connections to all poor or BPL households. Free electricity for lighting for BPL households and marginal and small farmers for irrigation purposes.
- Information network connections to all villages enabling uninterrupted connections to mobile phones, internet, television, radio etc.
- Ensure public drinking water supply to all villages and all parts of the villages (expansion of drinking water supply through pipe water, public wells, maintenance of ponds, water bodies, distribution through tanker lorries etc)
- Every village should have a hospital with at least a qualified doctor, supporting medical staff and inpatient treatment facilities for emergencies and accidents. Staff quarters are to be provided adjacent to hospitals to provide accommodation to doctors and medical staff.
- In every village primary, upper primary and high schools shall be started by state or local governments. Grants-in-aid support shall also be given to social organisations, co-operatives, private agencies etc for starting schools.
- Provide financial support for constructing new houses and renovate the dilapidated houses for BPL, landless and casual labour households. A special CSS shall be formulated for the purpose to achieve.
- Provide toilet facilities to all BPL households with the financial support of state and central governments.

- Effective implementation of free noon meals distribution to all rural primary and upper primary schools.
- Distribution of LPG gas to rural BPL households at a subsidy of 50% of the price. Payment of subsidy to the dealer and collecting it from Bank will be discontinued.
- Free medical treatment for members of BPL households in government hospitals.
- Full fee concessions (tuition fee, examination fee, laboratory fee and other fees) to students belonging to BPL households in higher studies (post SSLC) in government and aided higher educational institutions.

d. Rural employment policies

- Top priority should be given to development of rural infrastructure. Development of rural infrastructure such as roads, bridges, electricity supply, water supply, communications, irrigation facilities, motor transport, education and health facilities etc are pre-conditions for promoting investment, technological development, production and generation of gainful employment opportunities in rural areas.
- Promotion of more private investment and introduction of new technology outside agriculture. This will generate new jobs outside agriculture such as rural industries, construction, trade, commerce, services etc.
- Shift the young labour force from agriculture to non-agricultural jobs through occasional education, skill training, start-up schemes, financial support for starting new production activities, distribution of capital items, machinery, motor vehicles etc.
- A number of short duration, job oriented occasional courses may be started in order to train unemployed labour force to work as skilled, technical workers or to start self-employment ventures.
- Skill training may be given in areas like agro-processing, small scale industries, repairs and servicing, motor transport, catering, trade, commerce, tourism, education etc.
- Promote the development of agriculture storage, processing and marketing centres similar to industrial estates through public and private investment.

- Promote technological upgradation and use of modern technology in farming, harvesting, storage of agricultural produce, rural transport, communications, constructions etc, through sound policies, public support and subsidies.
- Promotion of sports through constructing play grounds, mini stadiums and organising sports events on commercial basis in rural areas.
- Implement a special employment scheme for the rural educated youth having different components such as skill training financial support for starting self-employment ventures, distribution of capital items such as machinery, pump sets, motor vehicles etc. subsidised credit support for starting small scale industrial units support for migration to other states and foreign countries etc.

e. Farmers distress: Policy suggestions

- Formulate national policy for farmers based on the ten major goals recommended by the National Commission on farmers, 2006.
- The goals are: (1) To improve the economic viability of farming, (2) To mainstream the human and gender dimension in all farm policies, (3) To complete the unfinished agenda in land reforms, (4) To develop and introduce a social security system, (5) To protect and improve the land, water, biodiversity and climate resources, (6) To foster community-centred food, water and energy security systems, (7) To introduce measures which can help to attract and retain youth in farming, (8) To strengthen the biosecurity of crops, farm animals, fish and forest trees etc, (9) To restructure agricultural curriculum and (10) To make India a global outsourcing hub in the production and supply of the inputs needed for sustainable agriculture.
- Implement recommendations of National Commission on Farmers 2006 on land reforms, irrigation, productivity of agriculture, credit and insurance, food security, prevention of farmer's suicides, competitiveness of farmers and employment immediately.
- The root cause of current farmer's distress is unviable and very small agricultural holdings. Take measures to provide more agricultural land to marginal and landless farmers through a variety of measures.
- Implement land ceiling acts and distribute the surplus land, waste land and government land to the farmers for cultivation.

- Give ownership, land lease titles etc to farmers who were denied it due to several reasons.
- State governments may take over uncultivated land from the owners on temporary basis and lease it to farmers.
- Appropriate land legislation may be enacted to promote leasing of land for cultivation while retaining ownership rights with the owner of the land.
- Electricity at free of cost should be given to marginal and small farmers, who use electric pumps for irrigating water.
- In order to reduce the cost of cultivation, the government shall give subsidies on fertilisers to marginal and small farmers.
- All agricultural machinery, implements, fertilisers, pesticides etc used for cultivation and harvesting should be exempted from all central as well as state taxes (Central excise, GST, sales tax etc).
- Impose restrictions on import of agricultural commodities which results in fall in prices of agriculture produce within the country making agriculture production uneconomic.
- In order to prevent steep fall in the prices of agricultural produce during harvesting and other seasons, there is a need for market intervention. The state government as well as farmers associations may start wholesale procuring centres of agricultural produce and maintain stable prices.

Table 1
Rural and Urban Population in India : 1951-2011

Census Year	Population (Million)			Percentage		
	Rural	Urban	Total	Rural	Urban	Total
1951	298.6	62.4	361.1	82.70	17.30	100
1961	360.3	78.9	439.2	82.00	18.00	100
1971	439.0	109.1	548.2	80.10	19.90	100
1981	525.6	157.7	683.3	76.70	23.30	100
1991	630.6	215.8	846.4	74.30	25.70	100
2001	742.6	286.1	1028.7	72.20	27.80	100
2011	833.1	377.1	1210.2	68.85	31.15	100

Source: Census of India 2011, Provisional Population Totals, Paper 2, Vol I of 2011, Rural-Urban Distribution, India Series 1.

Table 2
Rural Urban Population of Major States in India

No	State	Rural Population in 2011 (in million)	Share of rural population to total (per cent)	Urban population in 2011 (in million)	Share of urban to total (per cent)
1	Andhra Pradesh	56.3	66.5	28.4	33.5
2	Assam	26.8	85.9	4.4	14.1
3	Bihar	92.1	88.7	11.7	11.3
4	Chhattisgarh	19.6	76.8	5.9	23.2
5	Gujarat	34.7	57.4	25.7	42.6
6	Haryana	16.5	65.2	8.8	34.8
7	Himachal Pradesh	6.2	90.0	0.7	10.0
8	Jammu & Kashmir	9.1	72.8	3.4	27.2
9	Jharkhand	25.0	75.9	7.9	24.1
10	Karnataka	37.6	61.4	23.6	38.6
11	Kerala	17.5	52.3	15.9	47.7
12	Madhya Pradesh	52.5	72.4	20.1	27.6
13	Maharashtra	61.5	54.8	50.8	45.2
14	Odisha	35.0	83.3	7.0	16.7
15	Punjab	17.3	62.5	10.4	37.5
16	Rajasthan	51.5	75.1	17.1	24.9
17	Tamil Nadu	37.2	51.6	35.0	48.4
18	Uttar Pradesh	155.1	77.7	44.5	22.3
19	Uttarakhand	7.0	69.4	3.1	30.6
20	West Bengal	62.2	68.1	29.1	31.9
	All India	833.1	68.8	377.1	31.2

Source: Economic Survey 2017-18, Volume 2; Census of India 2011, Provisional population Totals, Paper 2, Volume 1 of 2011, Rural-Urban Distribution, India series 1.

Table 3
Monthly percapita expenditure (MPCE) in India in 2011-12

Category	Average MPCE (₹)	Share of food expenditure (%)
Rural	1430	52.9
Urban	2630	42.6

Source: Government of India (2018), Economic Survey 2017-18, New Delhi: Oxford University Press.

Table 4
Monthly percapita expenditure in Major States in India 2011-12

State	Rural Average MPCE (₹)	Share of rural food expenditure (%)	Urban Average MPCE (₹)	Share of urban food expenditure (%)
Andhra Pradesh	1754	51.4	2685	42.3
Assam	1219	61.3	2189	47.7
Bihar	1127	59.3	1507	50.5
Chhattisgarh	1027	52.7	1868	42.2
Gujarat	1536	54.9	2581	45.2
Haryana	2176	52.1	3817	39.2
Himachal Pradesh	2034	47.3	3259	42.4
Jammu & Kashmir	1743	55.3	2485	47.8
Jharkhand	1006	58.4	2018	46.5
Karnataka	1561	51.4	3026	40.1
Kerala	2669	43.0	3408	37.0
Madhya Pradesh	1152	52.9	2058	42.2
Maharashtra	1619	52.4	3189	41.6
Odisha	1003	57.2	1941	45.4
Punjab	2345	44.1	2794	41.0
Rajasthan	1598	50.5	2442	44.8
Tamil Nadu	1693	51.5	2622	42.7
Uttar Pradesh	1156	53.0	2051	44.0
Uttarakhand	1726	49.6	2339	46.3
West Bengal	1291	58.2	2591	44.2
All India	1430	52.9	2630	42.6

Source: Government of India (2018), Economic Survey 2017-18, New Delhi: Oxford University Press.

Table 5
Households by Condition of Houses, Number of Rooms and Ownership Status in
India (2011 Census)

No	Item	Number of Houses (in thousand)			Percentage		
		Total	Rural	Urban	Total	Rural	Urban
I. Condition of House							
1	Total households	2,46,692	1,67,826	78,865	100.0	100.0	100.0
2	Good	1,31,019	77,041	53,978	53.1	45.9	68.4
3	Livable	1,02,470	79,855	22,614	41.5	47.6	28.7
4	Dilapidated	13,202	10,929	2,272	5.4	6.5	2.9
II. Number of dwelling rooms							
1	Total households	2,46,692	1,67,826	78,865	100.0	100.0	100.0
2	No exclusive room	9,638	7,211	2,426	3.9	4.3	3.1
3	One room	91,491	66,155	25,336	37.1	39.4	32.1
4	Two rooms	78,124	53,987	24,136	31.7	32.2	30.6
5	Three rooms	35,803	21,308	14,495	14.5	12.7	18.4
6	Four & above	31,633	19,163	12,470	12.9	11.4	15.8
III. Ownership status							
1	Total households	2,46,692	1,67,826	78,865	100.0	100.0	100.0
2	Owned	2,13,526	1,58,983	54,542	86.6	94.7	69.2
3	Rented	27,368	5,644	21,723	11.1	3.4	27.5
4	Others	5,798	3,198	2599	2.4	1.9	3.3

Source: Census of India 2011, Houses, Households Amenities and Assets, Figures at a Glance, Registrar General and Census Commissioner, India (2012),

Table 6
Households by Predominant material of roof in India (2011 Census)

No	Item	Number			Percentage		
		Total	Rural	Urban	Total	Rural	Urban
1	Total Number of Households	24,66,92,667	16,78,26,730	7,88,65,937	100.0	100.0	100.0
2	Grass/Thatch/Bamboo/ Wood/Mud	3,71,23,567	3,34,84,330	36,39,237	15.0	20.0	4.6
3	Plastic/Polythene	15,57,231	10,54,830	5,02,401	0.6	0.6	0.6
4	Handmade Tiles	3,56,75,903	3,07,78,543	48,97,360	14.5	18.3	6.2
5	Machine made Tiles	2,29,67,460	1,74,41,452	55,26,008	9.3	10.4	7.0
6	Burnt Brick	1,63,81,118	1,21,11,943	42,69,175	6.6	7.2	5.4
7	Stone/Slate	2,11,27,976	1,48,60,863	62,67,113	8.6	8.9	7.9
8	G.I./Metal/Asbestos sheets	3,92,73,252	2,67,33,862	1,25,39,390	15.9	15.9	15.9
9	Concrete	7,16,59,299	3,07,46,938	4,09,12,361	29.0	18.3	51.9
10	Any other material	9,26,861	6,13,969	3,12,892	0.4	0.4	0.4

Source: Census of India 2011, Houses, Households Amenities and Assets, Figures at a Glance, Registrar General and Census Commissioner, India (2012).

Table 7
Households by Main Source of Drinking Water in India(2011 Census)

No	Item	Number			Percentage		
		Total	Rural	Urban	Total	Rural	Urban
1	Total number of households	24,66,92,667	16,78,26,730	7,88,65,937	100.0	100.0	100.0
2	Tap water	10,74,07,176	5,17,05,165	5,57,02,011	43.5	30.8	70.8
3	Tapwater from treated source	7,88,73,488	2,99,69,145	4,89,04,343	32.0	17.9	62.0
4	Tapwater from un-treated source	2,85,33,688	2,17,36,020	67,97,668	11.6	13.0	8.6
5	Well	271,85,276	2,23,33,658	48,51,618	11.0	13.3	6.2
6	Covered well	38,95,409	25,91,028	13,04,381	1.6	1.5	1.7
7	Un-covered Well	2,32,89,867	1,97,42,630	35,47,237	9.4	11.8	4.5
8	Handpump	8,25,99,531	7,32,45,349	93,54,182	33.5	43.6	11.9
9	Tubewell/Borehole	2,09,16,074	1,38,98,837	70,17,237	8.5	8.3	8.9
10	Spring	13,14,556	11,84,498	1,30,058	0.5	0.7	0.2
11	River/Canal	15,50,549	14,12,565	1,37,984	0.6	0.8	0.2
12	Tank/Pond/Lake	20,75,181	17,71,796	3,03,385	0.8	1.1	0.4
13	Other sources	36,44,324	22,74,862	13,69,462	1.5	1.4	1.7

Source: Census of India 2011, Houses, Households Amenities and Assets, Figures at a Glance, Registrar General and Census Commissioner, India (2012).

Table 8
Households by Main Source of Lighting in India (2011 Census)

No	Item	Number			Percentage		
		Total	Rural	Urban	Total	Rural	Urban
1	Total number of households	24,66,92,667	16,78,26,730	7,88,65,937	100.0	100.0	100.0
2	Electricity	16,58,97,294	9,28,08,038	7,30,89,256	67.2	55.3	92.7
3	Kerosene	7,75,45,034	7,24,35,303	51,09,731	31.4	43.2	6.5
4	Solar	10,86,893	9,16,203	1,70,690	0.4	0.5	0.2
5	Other oil	5,05,571	4,07,919	97,652	0.2	0.2	0.1
6	Any other	4,93,291	3,61,507	1,31,784	0.2	0.2	0.2
7	No lighting	11,64,584	8,97,760	2,66,824	0.5	0.5	0.3

Source: Census of India 2011, Houses, Households Amenities and Assets, Figures at a Glance, Registrar General and Census Commissioner, India (2012).

Table 9
Households by Fuel Used for Cooking in India (2011 Census)

No	Item	Number			Percentage		
		Total	Rural	Urban	Total	Rural	Urban
1	Total number of households	24,66,92,667	16,78,26,730	7,88,65,937	100.0	100.0	100.0
2	Fire-wood	12,08,34,388	10,49,63,972	1,58,70,416	49.0	62.5	20.1
3	Crop residue	2,18,36,915	2,06,96,938	11,39,977	8.9	12.3	1.4
4	Cowdung Cake	1,96,09,328	1,82,52,466	13,56,862	7.9	10.9	1.7
5	Coal/Lignite/ Charcoal	35,77,035	12,98,968	22,78,067	1.4	0.8	2.9
6	Kerosene	71,64,589	12,29,476	59,35,113	2.9	0.7	7.5
7	LPG/PNG	7,04,22,883	1,91,37,351	5,12,85,532	28.5	11.4	65.0
8	Electricity	2,35,527	1,18,030	1,17,497	0.1	0.1	0.1
9	Biogas	10,18,978	6,94,384	3,24,594	0.4	0.4	0.4
10	Any other	11,96,059	10,40,538	1,55,521	0.5	0.6	0.2
11	No Cooking	7,96,965	3,94,607	4,02,358	0.3	0.2	0.5

Source: Census of India 2011, Houses, Households Amenities and Assets, Figures at a Glance, Registrar General and Census Commissioner, India (2012).

Table 10
Households by Type of Latrine Facility in India (2011 Census)

No	Item	Number			Percentage		
		Total	Rural	Urban	Total	Rural	Urban
1	Total number of households	24,66,92,667	16,78,26,730	7,88,65,937	100.0	100.0	100.0
2	Latrine facility within the premises	11,57,37,458	5,15,75,339	6,41,62,119	46.9	30.7	81.4
3	Water Closet	8,98,52,052	3,26,16,824	5,72,35,228	36.4	19.4	72.6
4	Pit Latrine	2,32,79,128	1,76,81,985	55,97,143	9.4	10.5	7.1
5	Other Latrine	26,06,278	12,76,530	13,29,748	1.1	0.8	1.7
6	No latrine within the premises	13,09,55,209	11,62,51,391	1,47,03,818	53.1	69.3	18.6
	a) Public Latrine	7997699	3253892	4743807	3.2	1.9	6.0
	b) Open	122957510	112997499	9960011	49.8	67.3	12.6

Source: Census of India 2011, Houses, Households Amenities and Assets, Figures at a Glance, Registrar General and Census Commissioner, India (2012).

Table 11
Households by Possession of Assets in India (2011 Census)

No	Item	Number			Percentage		
		Total	Rural	Urban	Total	Rural	Urban
1	Total number of households	24,66,92,667	16,78,26,730	7,88,65,937	100.0	100.0	100.0
2	Radio/ Transistor	4,90,16,595	2,90,57,003	1,99,59,592	19.9	17.3	25.3
3	Television	11,64,93,624	5,60,05,607	6,04,88,017	47.2	33.4	76.7
4	Computer/Laptop – With Internet	77,08,521	11,89,627	65,18,894	3.1	0.7	8.3
5	Computer/Laptop – Without Internet	1,56,54,325	74,53,608	82,00,717	6.3	4.4	10.4
6	Telephone	15,58,80,849	9,12,13,611	6,46,67,238	63.2	54.3	82.0
7	Telephone/Mobile Phone – Mobile only	13,12,02,021	8,04,65,674	5,07,36,347	53.2	47.9	64.3
8	Bicycle	11,05,67,433	7,74,87,664	3,30,79,769	44.8	46.2	41.9
9	Scooter/Motorcycle /Moped	5,18,62,242	2,40,73,045	2,77,89,197	21.0	14.3	35.2
10	Car/Jeep/Van	1,14,73,587	37,85,355	76,88,232	4.7	2.3	9.7
11	None of the specified assets	4,39,50,672	3,84,11,098	55,39,574	17.8	22.9	7.0

Source: Census of India 2011, Houses, Households Amenities and Assets, Figures at a Glance, Registrar General and Census Commissioner, India (2012).

Table 12
Poverty Estimates in India (Expert Group, Rangarajan)

Year	Poverty Ratio (%)			No. of Poor (million)		
	Rural	Urban	Total	Rural	Urban	Total
2009-10	39.6	35.1	38.2	325.9	128.7	454.6
2011-12	30.9	26.4	29.5	260.5	102.5	363.0
Reduction (%age Points)	8.7	8.7	8.7	65.4	26.2	91.6

Source : Planning Commission 2014, Report of the Expert Group to Review the methodology for measurement of poverty.

Table 13
State wise Poverty Line in Rural and Urban areas in India (2011-12)

No	State	Rural		Urban	
		%age of Persons	No. of Persons (Lakhs)	%age of Persons	No. of Persons (Lakhs)
All India		30.9	2605.2	26.4	1024.7
1	Jammu & Kashmir	12.6	11.7	21.6	7.6
2	Himachal Pradesh	11.1	6.9	8.8	0.6
3	Punjab	7.4	12.9	17.6	18.7
4	Uttarakhand	12.6	8.9	29.5	9.4
5	Haryana	11.0	18.4	15.3	14.0
6	Rajasthan	21.4	112.0	22.5	39.5
7	Uttar Pradesh	38.1	600.9	45.7	208.2
8	Bihar	40.1	376.8	50.8	61.4
9	Sikkim	20.0	0.9	11.7	0.2
10	Arunachal Pradesh	39.3	4.3	30.9	1.0
11	Nagaland	6.1	0.8	32.1	1.9
12	Manipur	34.9	6.7	73.4	6.3
13	Mizoram	33.7	1.8	21.5	1.2
14	Tripura	22.5	6.1	31.3	3.2
15	Meghalaya	26.3	6.4	16.7	1.0
16	Assam	42.0	114.1	34.2	15.4
17	West Bengal	30.1	188.6	29.0	86.8
18	Jharkhand	45.9	117.0	31.3	25.5
19	Odisha	47.8	169.0	36.3	26.0
20	Chhattisgarh	49.2	97.9	43.7	26.9
21	Madhya Pradesh	45.2	241.4	42.1	86.3
22	Gujarat	31.4	109.8	22.2	58.9
23	Maharashtra	22.5	139.9	17.0	88.4
24	Andhra Pradesh	12.7	71.5	15.6	45.7
25	Karnataka	19.8	74.8	25.1	60.9
26	Goa	1.4	0.1	9.1	0.8
27	Kerala	7.3	12.3	15.3	26.0
28	Tamil Nadu	24.3	91.1	20.3	72.8

Source : Planning Commission 2014, Report of the Expert Group to Review the methodology for measurement of poverty.

Table 14
Distribution of households by number of employed persons aged
15 years and above in India, 2015-16 (%)

Head	None	1 person	2 persons	3 persons	4 & above persons
Rural	4.0	44.1	32.9	12.4	6.5
Urban	7.5	58.7	25.0	6.7	2.1
Rural + Urban	5.1	48.4	30.6	10.7	5.2

Source: Ministry of Labour & Employment (2016), Report on fifth annual employment – unemployment survey (2015-16), volume I,

Table 15
Sector wise distribution of employed persons based on NIC 2008
classification in India, 2015-16 (%)

Approach	Primary sector	Secondary sector	Tertiary sector
Rural			
UPS	58.5	19.5	22.0
Urban			
UPS	7.8	28.9	63.1
Rural+Urban			
UPS	46.1	21.8	32.0

Source: Ministry of Labour & Employment (2016), Report on fifth annual employment – unemployment survey (2015-16), volume I,

Table 16
Per 1000 distribution of workers aged 15 years and above, usual status in India,
2015-16 (PS+SS) categories

Head	Self Employed	Wage/Salary (Regular)	Contract Workers	Casual Labour	Total
Rural	491	107	29	374	1000
Urban	412	343	57	187	1000
Rural+Urban	472	162	35	331	1000

Source: Ministry of Labour & Employment (2016), Report on fifth annual employment – unemployment survey (2015-16), volume I,

Table 17
Per 1000 distribution of rural workers aged 15 years & above
Usual Status (ps+ss) in India, 2015-16

No.	Name of State/ All India	Per 1000 distribution of workers according to activity			
		Self employed	Wage/ salaried employee	Contract worker	Casual labour
1	Andhra Pradesh	351	83	16	548
2	Arunachal Pradesh	876	91	8	25
3	Assam	535	170	14	282
4	Bihar	477	79	33	411
5	Chhattisgarh	513	60	11	415
6	Delhi	331	417	85	169
7	Goa	247	403	127	222
8	Gujarat	582	90	61	268
9	Haryana	511	162	50	278
10	Himachal Pradesh	399	309	101	193
11	Jammu & Kashmir	428	246	46	280
12	Jharkhand	644	98	49	209
13	Karnataka	445	94	13	448
14	Kerala	276	220	37	466
15	Madhya Pradesh	538	58	17	386
16	Maharashtra	574	76	18	332
17	Manipur	673	109	15	204
18	Meghalaya	624	84	9	282
19	Mizoram	831	94	4	70
20	Nagaland	715	200	14	71
21	Odisha	471	154	35	340
22	Punjab	449	121	68	362
23	Rajasthan	635	126	18	220
24	Sikkim	492	213	2	292
25	Tamil Nadu	241	165	26	568
26	Telangana	394	65	12	530
27	Tripura	353	95	4	549
28	Uttarakhand	511	222	19	245
29	Uttar Pradesh	563	108	29	300
30	West Bengal	396	72	40	493
	All India	491	107	29	374

Source: Ministry of Labour & Employment (2016), Report on fifth annual employment – unemployment survey (2015-16), volume I,

Table 18
Households by average monthly earnings in India 2015-16 (₹)

Head	Up to 5000	5001 to 7500	7,501 to 10,000	10,001 to 20,000	20,001 to 50,000	Above 50,000
Rural	27.3	29.6	20.0	16.0	6.3	0.8
Urban	9.3	15.3	20.3	28.5	21.7	5.0
Rural+Urban	22.1	25.4	20.1	19.6	10.8	2.0

Source: Ministry of Labour & Employment (2016), Report on fifth annual employment – unemployment survey (2015-16), volume I,

Table 19
Unemployment Rate based on UPS for persons aged 15 years & above in India 2015-16 (%)

Approach	Male	Female	Transgender	Persons
Rural				
UPS	4.2	7.8	2.1	5.1
Urban				
UPS	3.3	12.1	10.3	4.9
Rural+Urban				
UPS	4.0	8.7	4.3	5.0

Source: Ministry of Labour & Employment (2016), Report on fifth annual employment – unemployment survey (2015-16), volume I,

Table 20
Rural Unemployment Rate (per 1000) for persons aged 15 years & above in
India (UPS) 2015-16

No.	Name of State/ All India	Rural		
		Male	Female	Person
1	Andhra Pradesh	40	34	38
2	Arunachal Pradesh	87	108	93
3	Assam	35	136	55
4	Bihar	56	75	59
5	Chhattisgarh	11	10	11
6	Delhi	35	92	45
7	Goa	112	269	150
8	Gujarat	10	9	10
9	Haryana	40	61	43
10	Himachal Pradesh	99	194	117
11	Jammu & Kashmir	51	318	83
12	Jharkhand	62	116	73
13	Karnataka	12	16	13
14	Kerala	38	308	125
15	Madhya Pradesh	33	87	44
16	Maharashtra	22	16	20
17	Manipur	56	33	49
18	Meghalaya	12	54	28
19	Mizoram	17	12	15
20	Nagaland	71	65	69
21	Odisha	36	116	51
22	Punjab	42	186	59
23	Rajasthan	63	123	77
24	Sikkim	118	351	184
25	Tamil Nadu	35	61	45
26	Telangana	10	17	13
27	Tripura	84	505	203
28	Uttarakhand	72	116	81
29	Uttar Pradesh	59	200	76
30	West Bengal	37	91	47
	All India	42	78	51

Source: Ministry of Labour & Employment (2016), Report on fifth annual employment – unemployment survey (2015-16), volume I,

Table 21
Population and Agricultural Workers (Million)

Year	Total Workers	Agricultural workers			Share of agricultural workers to total workers (%)
		Cultivators	Agricultural Labourers	Total	
1981	244.6	92.5	55.5	148.0	60.51
1991	314.1	110.7	74.6	185.3	58.99
2001	402.2	127.3	106.8	234.1	58.20
2011	481.9	118.8	144.3	263.1	54.60
Agricultural workers (%)					
1981	-	62.5	37.5	100	-
1991	-	59.7	40.3	100	-
2001	-	54.4	45.6	100	-
2011	-	45.1	54.9	100	-

Source: Department of Agriculture, Cooperation & Farmers Welfare. (2018): *Pocket Book of Agricultural Statistics 2017*. New Delhi: The Author

Table 22
Number and Area of Operational Holdings by Size Group

(No. of Holdings: ('000 Number) ; Area Operated: ('000 Hectares); Average size: (Hectares))

Category of Holdings	Number of Holdings	Area	Average Size of Holdings
	2010-11	2010-11	2010-11
Marginal (Less than 1 hectare)	92826 (67.1)	35908 (22.5)	0.39
Small (1.0 to 2.0 hectares)	24779 (17.9)	35244 (22.1)	1.42
Semi-Medium (2.0 to 4.0 hectares)	13896 (10.0)	37705 (23.6)	2.71
Medium (4.0 to 10.0 hectares)	5875 (4.2)	33828 (21.2)	5.76
Large (10.0 hectares and above)	973 (0.7)	16907 (10.6)	17.38
All Holdings	138348 (100.0)	159592 (100.0)	1.15

Source: Department of Agriculture, Cooperation & Farmers Welfare. (2018): *Pocket Book of Agricultural Statistics 2017*. New Delhi: Ministry of Agriculture & Farmers Welfare.

Note: Figures in parentheses indicate percentage share in total.

Table 23
Distribution of Agricultural Households/Indebted Households Based on Possession of Land.

No	Land Possessed based on the category of Farmers (hectare)	Estimated Number of Agricultural Households (lakh)	% to Total in each Class	Estimated No. of Indebted Agricultural Households (lakh)	% of Indebted Agricultural Households to Total	Average Outstanding Loan Amount (₹)
1.	Marginal					
	< 0.01	23.89	2.65	10.02	41.9	31100
	0.01-0.40	287.66	31.89	135.97	47.3	23900
	0.41-1.00	314.81	34.90	152.16	48.3	35400
2.	Small					
	1.01-2.00	154.58	17.14	86.11	55.7	54800
3.	Semi-Medium					
	2.01-4.00	84.35	9.35	56.10	66.5	94900
4.	Medium					
	4.01-10.00	33.02	3.66	25.21	76.3	182700
5.	Large					
	10 & above	3.71	0.41	2.92	78.7	290300
	All India	902.01	100.00	468.48	51.9	47000

Source: Department of Agriculture, Cooperation & Farmers Welfare. (2018): *Pocket Book of Agricultural Statistics 2017*. New Delhi: Ministry of Agriculture & Farmers Welfare.

Note: 1 Reference period for Indebtedness is "as on the date of survey"

2 Indebtedness relates to all kind of outstanding loans irrespective of the purpose for which taken

Table 24

Number of Operational Holdings, Area and Average Size of Holdings of Marginal Farmers (2010-11)

No.	Name of State/ All India	Number of Marginal Holdings	Share to total holdings (%)	Area of marginal holdings (hectares)	Share to total area (%)	Average size of marginal holdings (hectares)
1	Andhra Pradesh	8424698	63.94	3727131	26.08	0.44
2	Arunachal Pradesh	21456	19.63	11863	3.09	0.55
3	Assam	1831115	67.31	774796	25.83	0.42
4	Bihar	14744098	91.06	3668728	57.44	0.25
5	Chhattisgarh	2182834	58.26	952786	18.74	0.44
6	Goa	59900	76.78	28103	31.58	0.47
7	Gujarat	1815634	37.16	884823	8.94	0.49
8	Haryana	778142	48.11	360474	9.89	0.46
9	Himachal Pradesh	670425	69.78	273270	28.63	0.41
10	Jammu & Kashmir	1206612	83.25	416427	46.51	0.35
11	Jharkhand	1848324	68.23	763906	24.13	0.41
12	Karnataka	3848834	49.14	1850946	15.22	0.48
13	Kerala	6579692	96.32	885644	58.62	0.13
14	Madhya Pradesh	3891016	43.86	1915352	12.10	0.49
15	Maharashtra	6709034	48.97	3185931	16.12	0.47
16	Manipur	76735	50.95	40200	23.36	0.52
17	Meghalaya	102714	49.01	46196	17.13	0.45
18	Mizoram	50210	54.65	30168	28.79	0.60
19	Nagaland	6476	3.63	3327	0.31	0.51
20	Odisha	3368296	72.17	1921842	39.61	0.57
21	Punjab	164431	15.62	101006	2.55	0.61
22	Rajasthan	2511512	36.46	1237578	5.86	0.49
23	Sikkim	40476	54.02	14811	13.88	0.37
24	Tamil Nadu	6266555	77.19	2291702	35.32	0.37
25	Tripura	499054	86.27	139700	49.03	0.28
26	Uttar Pradesh	18532272	79.45	7170852	40.69	0.39
27	Uttarakhand	672138	73.65	295556	36.23	0.44
28	West Bengal	5852681	82.16	2890646	52.47	0.49
	All India	92825979	67.10	35908264	22.50	0.39

Source: Ministry of Agriculture and Farmers Welfare (2017). Agricultural Statistics at a Glance 2016

Table 25

Number of Agricultural Households and Indebted Agricultural Households during the Agricultural Year July 2012-June 2013

No.	Name of State/ All India	Estimated number of agricultural households (‘00)	% of agricultural households to rural households	% of agricultural households indebted	Average monthly income (₹) per agricultural households
1	Andhra Pradesh	35968	41.5	92.9	5979
2	Arunachal Pradesh	1080	65.1	19.1	10869
3	Assam	34230	65.2	17.5	6695
4	Bihar	70943	50.5	42.5	3558
5	Chhattisgarh	25608	68.3	37.2	5177
6	Gujarat	39305	66.9	42.6	7926
7	Haryana	15693	60.7	42.3	14434
8	Himachal Pradesh	8811	66.5	27.9	8777
9	Jammu & Kashmir	11283	82.1	30.7	12683
10	Jharkhand	22336	59.5	28.9	4721
11	Karnataka	42421	54.8	77.3	8832
12	Kerala	14043	27.3	77.7	11888
13	Madhya Pradesh	59950	70.8	45.7	6210
14	Maharashtra	70970	56.7	57.3	7386
15	Manipur	1762	68.2	23.9	8842
16	Meghalaya	3544	75.1	2.4	11792
17	Mizoram	758	81.0	6.2	9099
18	Nagaland	2621	63.5	2.5	10048
19	Odisha	44935	57.5	57.5	4976
20	Punjab	14083	51.1	53.2	18059
21	Rajasthan	64835	78.4	61.8	7350
22	Sikkim	674	58.6	14.4	6798
23	Tamil Nadu	32443	34.7	82.5	6980
24	Telangana	25389	51.5	89.1	6311
25	Tripura	2445	36.9	22.9	5429
26	Uttar Pradesh	180486	74.8	43.8	4701
27	Uttarakhand	10608	64.3	50.8	4923
28	West Bengal	63624	45.0	51.5	3980
	All India	902011	57.8	51.9	6426

Source: Ministry of Agriculture and Farmers Welfare (2017). Agricultural Statistics at a Glance 2016

Table 26
All India Annual Average Daily Wage Rate

Crop Year	Agri. Wages (in Rupees)	
	Male	Female
2006-07	82	62
2007-08	91	70
2008-09	108	82
2009-10	124	95
2010-11	149	115
2011-12	183	134
2012-13	214	158
2013-14	229	178
2014-15	268	200
2015-16	281	218

Source: Department of Agriculture, Cooperation & Farmers Welfare. (2018): *Pocket Book of Agricultural Statistics 2017*. New Delhi: Ministry of Agriculture & Farmers Welfare.

- Note
1. All India annual average is calculated for 20 major States
 2. Average Agricultural Wages is taken as average of five operations

Reference

- Census of India 2011. (2012). Houses, Households Amenities and Assets, Figures at a Glance. New Delhi: Office of the Registrar General and Census Commissioner.
- Census of India 2011. (2012). Provisional Population Totals, Paper 2, Vol I, Rural-Urban Distribution, India Series 1. New Delhi: Office of the Registrar General & Census Commissioner.
- Centre for Study of Developing Societies (CSDS). (2014). State of Indian Farmers: A Report. Delhi: CSDS.
- Department of Agriculture, Cooperation & Farmers Welfare. (2018). Pocket Book of Agricultural Statistics 2017. New Delhi: Ministry of Agriculture & Farmers Welfare.

- Government of India. (2006). National Commission on Farmers, Serving Farmers and Saving Farming, Fifth and Final Report. New Delhi: Ministry of Agriculture.
- Government of India. (2018). Economic Survey 2017-18. Vol II. New Delhi: Oxford University Press.
- Ministry of Agriculture and Farmers Welfare. (2017). Agricultural Statistics at a Glance 2016. New Delhi: Directorate of Economics and Statistics.
- Ministry of Labour & Employment. (2016). Report on fifth annual employment – unemployment survey (2015-16), volume I. Chandigarh: Labour Bureau.
- National Bank for Agriculture and Rural Development (NABARD). (2018). All India Rural Financial Inclusion Survey 2016-17. Mumbai: NABARD.
- National Institute of Rural Development (NIRD). (2005). India Rural Development Report: Rural Institutions. Hyderabad: NIRD.
- NIRD. (2011). Rural Development Statistics 2009-10. Hyderabad: NIRD.
- Planning Commission. (2013). Twelfth Five Year Plan 2012-17, Vol 1 to 3. New Delhi: Sage Publications.
- Planning Commission. (2014). Report of the Expert Group to Review the methodology for measurement of poverty. New Delhi: Planning Commission.
- Prakash B A (ed). (2008). The Indian Economy Since 1991: Economic reforms and Performance. Delhi : Pearson.
- Prakash B A (Revised edition). (2012). The Indian Economy Since 1991: Economic Reforms and Performance. Delhi: pearson.
- Prakash B A & Jerry Alwin (ed). (2018). Kerala's Economic Development: Emerging Issues and Challenges. New Delhi: Sage Publications.