

The Perspectives of Primary Sector in the Booming Economy of India

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Background

The background of the research goes to the basic structural economic models of development for the dual economies, namely Lewis-Fei-Ranis model. India was also an implementer of this model for its structural transformation for the economic development. The model proposes, "The surplus labour from the traditional sector is transferred to the modern industrial sector whose growth over time absorbs the surplus labour, promotes industrialization and stimulates sustained development". It's worthwhile to revisit and explore the fundamentals ideas of developmental thoughts and its possible continuation in certain parts of current Indian economy.

Hypotheses

1. Current Indian structural development in the course of economic growth follows the Lewis-Fei-Ranis (LFR) model of development.
2. The current booming economic growth affects the primary sector seriously.

Author asks important questions like,

1. To what extent the modern sector growth (manufacturing and service sector) growth affects the agriculture sector?
2. Did the economic growth follow the Lewis-Fei-Ranis model of economic growth?
3. What are the major problems that traditional sector of Tamil Nadu faces and how serious were the problems for its growth?

Methodology

Stratified Snowball sampling is followed with in the research. The personal interviews using structured questionnaires with farmers, agricultural labourers and experts were carried out in the seven agro-climatic zones state of Tamil Nadu covering 140 samples.

Results and Discussion

S.No.	Significant Outcomes	Remarks
1	Increased need of mechanization and crop diversification	• harvesting (53%) * and weeding (37%) • 80% diversified in last 5 years • labour scarcity (50%), crop profits (37%) and water scarcity (28%)
2	Increased agricultural labour scarcity and increased labour cost	• 65% year round scarcity • 60 to 75% increase in labour cost in last 5 years • reduced labour productivity mindset, health, old aged population
3	High Labour migrations and reasons	• upto 60 % of labourers migrate • comparative low wage (70%) and less hard works in urban (30%) • education (50%) in farm families
4	High urban opportunities for agricultural labour	• construction works (62 %) and textile works (24%) • 55 % of agricultural labourers reported agricultural unemployment • rainfall fluctuations – uncertain works
5	High generation gap between farmers, agricultural labour and their respective children for agriculture	• education influences profession choice between two generation • 45 to 50 % of the younger generation don't have agriculture knowledge • 50 to 70 % of younger generation prefer off-farm employment in future

*Note : The percentage denotes the frequency of the responded population

Conclusions and Outlook

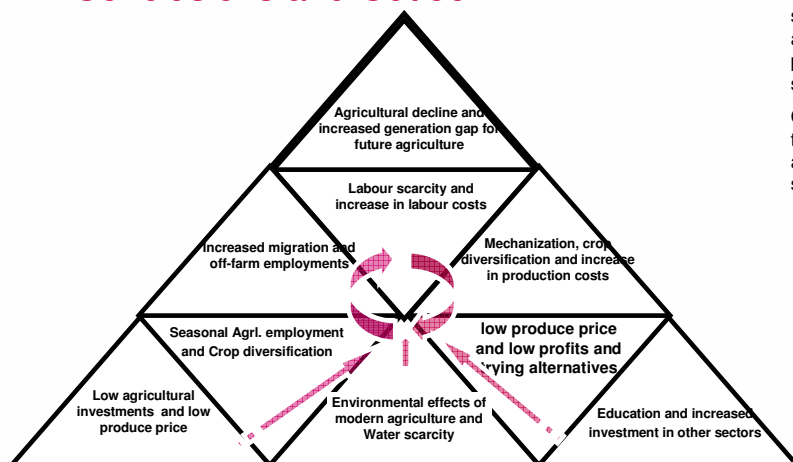


Fig 1: Vicious cycle occurring in the Agricultural sector

Conclusion 1: Labour migration to modern sector and increase in the agricultural labour costs supports LFR model, the growth is not achieved and primary sector declining, the model fails for primary sector. It may be successful for modern sector.

Conclusion 2: Primary sector suffers from threatening future for agricultural human resources and a vicious cycle of water scarcity and labour scarcity.

Further scope for research

1. Labour scarcity, vicious cycle and urbanization's effects on water scarcity - ?
2. How to improve the investments to build up the base for the sector?
3. On neglected social behaviour and its future effects on agricultural human resources?

References and Acknowledgement

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