

11/12/14
S.V.

- Gandhi / Nehru - Economic Development
- Land Reforms
- Food Security
- MNREGS
- Public Sector.
- Green Revolution

focus on poor, villages.

2 options - focus on agriculture Gandhi
focus on industries. Nehru

Gandhi

- agriculture
- poor, villages
- wrong to say Gandhi did not believe in industries.

- more industries in villages
- cottage, handloom, small industries.
- traditional industries

Nature of Industry (point of diff)

Bottom Up approach.

- not influenced by other thoughts

→ villages.

Tribal, backward areas focus.

* will lead to inequitable

distribution in future.

Agro based industries.

Artisans, handloom, weaving.

Nehru.

- Industries.
- poor, villages
- bigger industries to start with.
- USSR influence.

→ Top Down approach.

USSR - dominance of defence production

(Hence Top Down was essential then)

public sector: Industrialization

welfare of people - focus

- welfare objective

→ self reliance

→ Technology transfer

→ Employment

→ Tribal & backward areas.

(local employment)

→ industrialization after achieving above

G

N

- Let domestic technology to grow rather than importing technology from outside.
- No such compromise was needed.
- self reliance.
- domestic technology, domestic products.
- compromised on technology to support more employment.

India today: combination of both ideas of G & N.
At that point of time, difficult to say which strategy was better.

Land Reforms:

obj: 'better' distribution of land not equal distribution
earlier security to people & later means of production.
~~power~~ to production & productivity.
earlier later.

In Indian context.

heavily skewed land distribution.
land concentrated in few hands.

Land - state subject.

∴ Registration of land reforms has to be done by state govt.

Land - should be Central subject. like in China (1979)

- Political parties have direct interest in land

• Land being state subject, land reform difficult.

what ought to be

- empower poor people to buy land rather than forcing surplus land people to donate their land.
- get rid of absentee landlordism.
- laws to show that landlord is physically present.
- Allow ^{to give} agricultural land on rent. Right now informal.

Commercial renting → will improve productivity.

Now: he shares with land owner.

- Registration of land should be mandatory online.

Online: title deeds

You are owner as long as title deeds are there.

presumptive - open for manipulations.

conclusive. - not - " -

land records with patwaris

taking away flexibility of maintaining land records.

- CLU Change & Land use

Now: can't be done without consent of patwaris.

agriculture → non-agriculture.

↑
patwari

can't be done by farmers himself

Farmer should be able to decide.

Only those who are genuinely interested in farming will stay in farming.

60% land under agriculture in India.

22% forest cover.

5% unreported barren land

60% land

13% land

14% GDP

86% GDP

Land Use policy: how productively use land.

Land under agri would come down in future.

productivity not sector/ basis of land use reform activity.

cooperative - activity.
- owner surrenders land.
collective farming.

non computerisation & digitisation of land records
today it is a must.

- to ensure conclusive title
- enable to know 'benami' land.

15% land 'benami' illegal occupation.
now only patwaris know which land is 'benami'.

benami land can be redistributed to a
group of people for doing collective farming.

state govt. themselves in possession of surplus land.

∴ they

involvement of Gram Panchayat has to be there
in redistribution of land.

redistribution on ~~an~~ ~~cor~~ - economic livelihood.

Black money generation

stamp duty on sale / purchase of land.

stamp duty - state subject.

most stamp duty - open ended. (2%)

No Duty should be open ended.

↳ registration at lower amount.

shell companies.

office in Delhi

low stamp duty.

sh. 1 room office in U.K.

registration here.

Stamp duty should be Central subject.

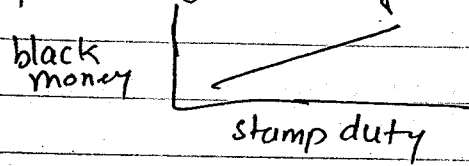
Uniform through the country.

S.D. should not be seen as a source of revenue.

should be seen as court fees. (to cover cost of registration)

- ensure shell companies don't come up.

black money high level of stamp duty.



Food Security + Green Revolution

G.R. origin in Mexico.

U.S. Scientist: Norman Borlaugh

Instrumental to bring G.R. to India.

focus. G.R.

agricultural
production

earlier

to increase production

bring more land under
production.

No fresh land available later.

∴ Need for productivity (per acre output).

• new technology, R & D.

HYV seeds

move from conventional to scientific farming. • farming by design.

modern tech., fertilizers, pesticides.

farm mechanisation.

This is Green Revolution.

Revolution in agriculture, in increasing production.

1st applied in Mexico & gradually replicated in India.

1967-68 — 1978-79 Golden Period for India.

India always insecure for foodgrains

• famines

earlier.
India - food
grains

Pak - arms. now

After independence, immediate priority - food security

Net importer G.R.

no sufficient foreign
currency to pay for them

∴ Loan for food grains

PL-480

(Privileged loan)

Nehru to Swaminathan free hand

ICAR (Indian Council of Agricultural Research)

G.R.

1st confined to wheat (bulk import was wheat from US) 90%.

- selective

- farmers: educated & progressive
- can't be done on small landholding.

~~with pickup states~~

- irrigation facilities availability.
- bank finance availability.

∴ confined to Punjab, U.P., Haryana.

controlled experiment. ∴ It had to succeed.

productivity went up by 4 times.

T & V: Training & Visits

ke crucial for success of G.R.

∴ G.R. was never meant for spread.

It was controlled experiment.

Experiment to prove how productivity can increase.
to explain to farmers benefits of productivity.

It ^{was} left for farmers to experiment.

- Another reason: all factors need to be available at 1 place.

G.R. was for demonstration purpose.

It was to point structural problems of our agrarian economy.

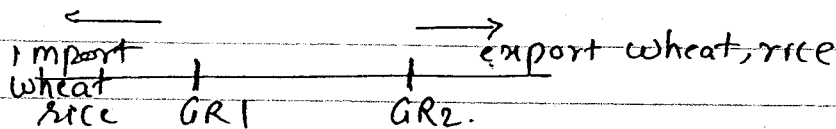
no successor to Swaminathan.

2nd G.R. (2009)

- cover rice along with wheat.
- cover more areas
- BGRBT

Bringing G.R. to Eastern India
NE, Bihar

Now we export both wheat & rice. U.S. Europe
Gulf.



Food Security

for India it is around food grains.

FCI Food Corporation of India

Central responsibility to ~~food~~ procure food grains from farmers.

∴ Govt. has to announce MSP at which it is going to procure.

MSP Central govt's decision.

CACP - recommends the MSP (economic decision)

(Commission of Agri Cost & Prices)

approved by Cabinet. (political decision).

CALP.

MSP: 24 major crops

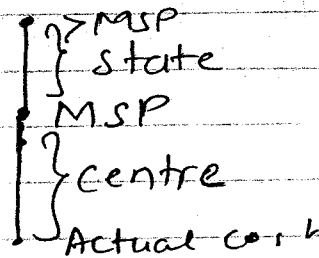
FCI procures only rice & wheat directly from farmers

Now decentralised

state govt. can procure from farmers but at MSP.
state can only procure but cannot distribute without consent of Centre.

state govt. can procure above MSP if they want.
& it will have to bear pay.

Actual



earlier support price after procurement price.
now only 1 price on

(-rice, -wheat)

other crops. Centre does not procure.

FCI cannot refuse

Today excess food grains.

32 million tonnes

(capacity)

55 million tonnes.

(actual procurement)

authorised centre state govt. to setup godowns.
△ prt. companies.

(mkt price higher than support price) = 22 crops.

Efforts are on to augment storage capacity.

Problem in food security : Distribution.
Distribution is in the hands of state govt.

Above Poverty line
(Ration Card)

Below Poverty Line.
(BPL Card)

Centre allocates to states for onward distribution
on the basis of APL, BPL.

APL: Only rice & wheat comes from centre.
others ^{comes} from state govt (procurement)
sugar, edible oils, pulses.
price Ration card holder pays.
↳ economic cost of procurement.

BPL: pay $1/2$ th (economic cost of procurement).
remaining $1/2$ cost by Central govt. | only for rice & wheat

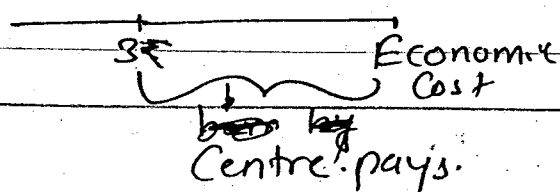
State decides Ration card, BPL card ~~dist~~ allocation.

TPDS - Target public distribution system.

bottom 2 Cr in BPL

Antodaya Anna Yojana. ^{अन्तोदय अन्न योजना}
35 Kg of Rice & Wheat at ₹3/Kg & ₹2/Kg
respectively.

This is also in the hands of state govt.



UPDS Universal PDS now Food Security Act, 2013.

No APL & BPL.

Food security for.

75% Rural population

50% Urban population

TPDS - Targetting whom to give

UPDS - Targetting whom to exclude
easier to eliminate than to target.

5 Kg of Rice ($\text{₹}3/\text{kg}$), Wheat ($\text{₹}2/\text{kg}$)
Coarse Cereal ($\text{₹}1/\text{kg}$)

per person

state govt. ^{decides} : let to criteria whom to exclude.
↳ criteria to what mechanism to decide.

Nowhere in world subsidised grains have reached the poor.

Subsidised mechanism is anti gravity.

It always goes into black marketing & hoarding.

In India subsidy is inefficient.

Subsidy by defn will have leakages.

We need. 

→ DBT Direct Benefit Transfer.

Income support instead of subsidising.

DBT : Bank Account : prerequisite

∴ Jan Dhan Yojana

(Financial Inclusion + Food Security).

Problem of whom to give & whom not to give
will always be present.

Food security should be for all women & children ~~only~~, disabled people, 65+

Focus should be on nutrition than food.
giving food with nutrition self defeating in purpose.
nutritious food has to be the basis of food security.

Never give man fish to eat. Teach him how to catch a fish.
Every person: freedom to buy what he wants to buy.

MNREGA.

most ambitious social sector programme.

It is radical.

It aim to cover every household, every village

100 days off peak season employment magni
to atleast 1 member of family, preferably women.

at min. wage ~~was~~

150 days - tribal areas.

Now, govt. proposes to restrict to ~200 districts.

Wage : asset — asset creation for local
51 : 49 community.

na sanitation also included now.

It is completely decentralised implementation.

No middlemen, No Contractors.

Gram Panchayats are empowered to take all decisions.

Magnitude of scheme always offers scope
for improvement.

In criticisms; look for ^{empirical evidence. first.}

like

- wages paid directly into account.
- mandatory for worker to have bank a/c.
- introduction of social audit.