



Mains Practice Question

Q. Despite the share of agricultural and its allied sectors in national income have been declining over the years, yet it provides employability to a major segment of the population. Critically Examine. (250 words)

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Approach

- Give suitable data to prove the given statement in the introduction.
- Then give the reasons for the declining share of agriculture in the national income.
- Critically examine the agriculture as the major segment of employment provider.
- Conclude by suggesting some steps to be taken to reduce dependence on primary sector for employment.

Introduction

- Agriculture is the backbone of Indian economy. Over the years, there has been a continuous decline in the share of agriculture and allied activities sector to total GDP from around 52% in FY1951 to around 14% in FY2014.
- Agriculture is the main source of employment generation in India. It still provides more than 50% employment. In absolute terms, the working population engaged in the agriculture sector increased from 97.2 million to 234.1 million during 1950-2011.

Body

The reasons for the declining share of agriculture and allied sectors in the GDP

- The decline is primarily on account of comparatively higher growth in GDP of non-agriculture sectors –secondary and tertiary sectors.
- The decline in growth of agricultural GDP is also due to near stagnant agricultural productivity after green revolution.
- In India methods of production of agriculture along with equipment are traditional. Traditional technology is the main cause of low production and need for the large workforce.
- Due to increase in population the pressure on land holding increased, it got fragmented and subdivided and thus becoming uneconomical.

A critical appraisal of employment which agriculture sector provides to a major segment of the population:

- **Disguised unemployment** - The average size of land holdings is very small (less than 2 hectares) and is subject to fragmentation due to land ceiling acts, and in some cases, family disputes. Such small holdings are often over-manned, resulting in disguised unemployment and low productivity of labour.
- **Low Productivity of Labor Engaged in Agriculture** - The per capita output of Indian cultivator is very poor as compared to cultivators in the developed countries. Their capacity of work is not properly utilised. Thus, need more farm labours to accomplish field work.
- **Limited Opportunity in the secondary and tertiary sector** – It is due to low skill set among

poor farmers and low capacity of non-farm sectors to accommodate the extra labour. The poor rural population indulged in subsistence farming and even can't afford children's education. In such scenarios it is difficult to come out from the vicious cycle of poverty.

- **Compulsion for farm employment** – Due to lack of skills most of the rural population is not employment ready for the industries and it becomes compulsion for them to take up agriculture work and help their family.

Way Forward

Availability of labour in agriculture crucially depends upon job creation in the non-farm sector, the pace of urbanization, social schemes and incentives in the rural sector and wages in the agriculture sector, besides certain social factors like children's education and status. Besides, following steps can be taken to increase the employment readiness of rural population in secondary as well as tertiary sectors.

- Providing skill sets to rural masses through Skill India Mission and creating relevant non-farm jobs for the farmers.
- In agriculture, the share of female workers has increased at the aggregate level; though there are states registering a decline in the corresponding share. In such scenarios special focus should be on women and girls education.
- Creating new avenues of the employment for the poor landless rural poor, MGNREGA is an important step in this regards.

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