

A Socio-Economic Study on Cottage Industry With Respect to Farmers Livelihood Security, Economic Viability and Sustainability

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ABSTRACT: Earth, water, sky, air and fire; these are the five elements (panchmahabhut) which are considered to be very important in the Indian philosophy regarding a way to lead life. It is said that these five elements are essential for the entire creation, environment, consciousness and development of the universe. Of these, the earth can be considered as being the main basis of the other four elements. Mohandas Karamchand Gandhi popularly known as Mahatma Gandhi believed that land, air, water, sunlight and sky are God's gifts and under no circumstances should these come under the control of any person, business group, industrial group or any centralised form of power. These belong to the masses and are public resources. In reality the State is only their trustee and not their owner as they belong to the people at large. Therefore, in reality, these elements should be made community based, localised and decentralised and not be brought under government control, centralised or brought under any corporate.

I. INTRODUCTION

Any conversation or discussion about land does not refer to land on the surface, rather it refers to what lies above and also below it. We have to take land in its totality. Gandhi believed that the land should not belong to an individual or to the State. Rather it should belong to the primary face-to-face local people's communities'. Although in the concept of trusteeship there is no space for monopoly, privilege or individual ownership, Mahatma Gandhi used to believe that a farmer should have that much land which he and his family members could cultivate. He should have an amount of land which was manageable for him to grow crops, support cattle from its products as well as enough to retain biodiversity and capacity to rejuvenate itself. In other words, he wanted the farmer to consider the earth as his mother. He believed that a farmer should have an amount of land with which he could subsist his daily earnings honestly and live a life of dignity.

The agriculture being practised should be organic. Effort should be made to return at least as much as being taken from the soil. The things being used in agriculture should be labour intensive, appropriate and environment friendly. The tools and implements being used should be made locally. The source of energy should be decentralised and local. The farmer should have that much of cultivable land which gives him a complete and reliable means of livelihood. Those who are real farmers, if they want, can join hands and form a cooperative or community to cultivate their lands. However, there should be no use of force in these areas, all efforts should be spontaneous, arising from within the community and completely voluntary in nature.

Mahatma Gandhi had a similar dream when it came to the field of animal husbandry. Mahatma Gandhi wanted to root out the zamindari system and for this, he thought that satyagraha was the best means. Even if there was no change of hearts among the zamindars due to satyagraha, Gandhiji believed that the satyagraha would change the human values, socio-economic paradigm in the country, build up the moral character of the people and ultimately change the character of the state's power and its attitude towards the people. This will result in the formation of new laws.

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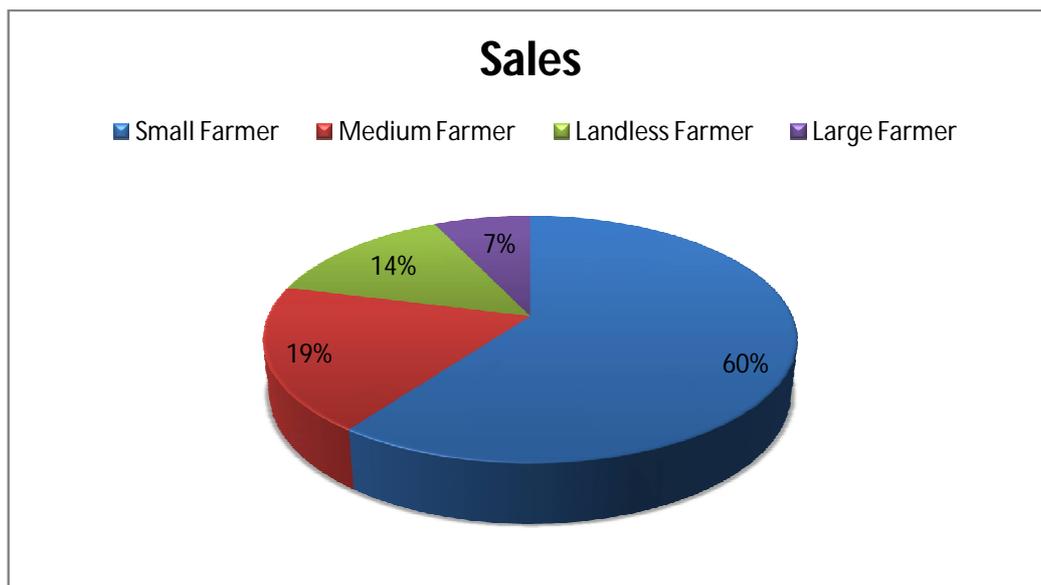
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II. DISTRIBUTION BY LAND OWNERSHIP

Indian Farmer: A Socio-Economic Profile

The comprehensive and widespread survey conducted by CSDS on the state of Indian farmers offers some interesting insights with respect to their socio-economic background.

- 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.
- Only 44 per cent farmers eat all three meals a day, whereas 39 per cent of the surveyed farmers said that they eat lunch and dinner only.
- 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.
- Only 10 per cent of the farmers are members of a farmer organization.
- 86 per cent of the farmers or their family owns land.
- 14 per cent of the farmers who took part in the survey were found to be landless or without any land of their own.
- 60 per cent are small farmers (those who own 1-3 acres of land), 19 per cent fall in the category of medium farmers (own 4-9 acres of land) and 7 per cent are large farmers (own 10 or more acres of land).



III. PROBLEMS FACED BY INDIAN FARMERS

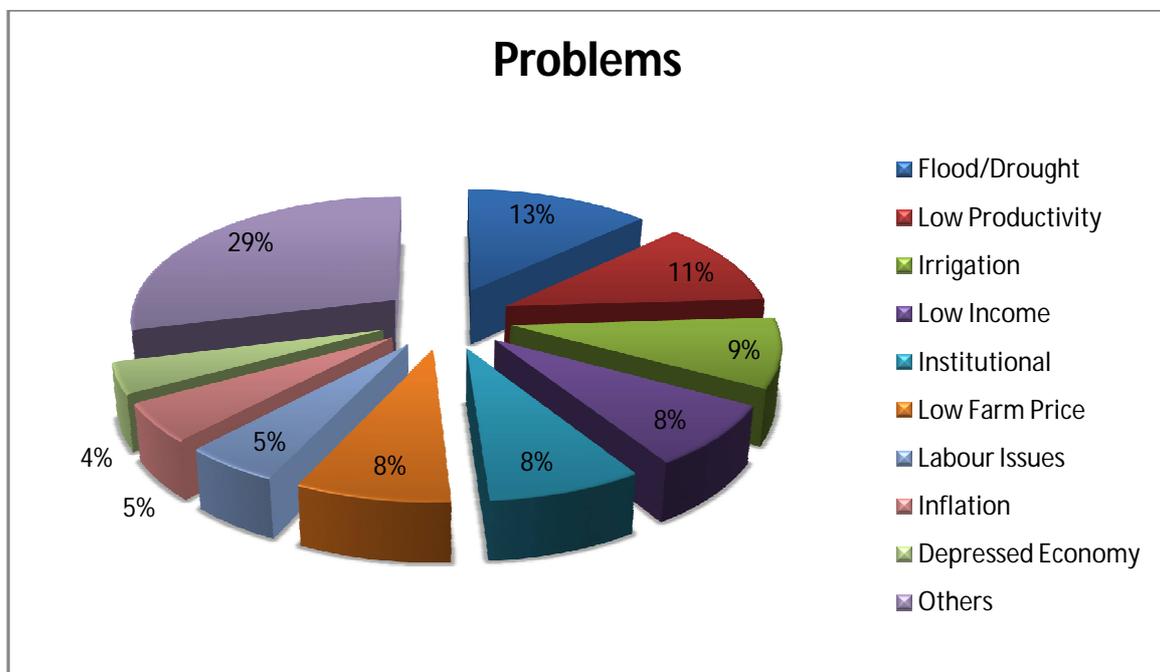
Indian farmers; the challenges and problems they face. It also delves into the incidence and reasons of crop failure and suicide. And finally we take a look at issues related to housing, marriage, education, employment health, and loan. How

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do Indian farmers view the overall condition of their counterparts? Around 47 per cent of farmers said that the overall condition of farmers in the country is bad, whereas only 15 per cent of them reported good condition. Most farmers from eastern and southern states of India rate the condition of farmers more negatively than their counterparts in other regions. The assessment of the general condition of farmers is most negative in West Bengal followed by southern state of Kerala. Interestingly, overall farmers from Western and Central India are least unhappy with the farmers' condition. Indian farmers perceive natural calamities as one of the biggest problem followed by low productivity. Irrigation emerged as most important problem in East and Central India, whereas low productivity in South and West. In North India, labour related issues are the most important problems faced by the farmer:-



Some of the major problems and their possible solutions have been discussed as follows. Indian agriculture is plagued by several problems; some of them are natural and some others are manmade.

1. Small and fragmented land-holdings:

- The seemingly abundance of net sown area of 141.2 million hectares and total cropped area of 189.7 million hectares (1999-2000) pales into insignificance when we see that it is divided into economically unviable small and scattered holdings.
- The average size of holdings was 2.28 hectares in 1970-71 which was reduced to 1.82 hectares in 1980-81 and 1.50 hectares in 1995-96. The size of the holdings will further decrease with the infinite Sub-division of the land holdings.
- The problem of small and fragmented holdings is more serious in densely populated and intensively cultivated states like Kerala, West Bengal, Bihar and eastern part of Uttar Pradesh where the average size of land holdings is less than one hectare and in certain parts it is less than even 0.5 hectare.
- Rajasthan with vast sandy stretches and Nagaland with the prevailing 'Jhoom' (shifting agriculture) have larger average sized holdings of 4 and 7.15 hectares respectively. States having high percentage of net sown area like Punjab, Haryana, Maharashtra, Gujarat, Karnataka and Madhya Pradesh have holding size above the national average.
- Further it is shocking to note that a large proportion of 59 per cent holdings in 1990- 91 were marginal (below 1 hectare) accounting for 14.9 per cent of the total operated area. Another 19 per cent were small holdings (1-2 hectare) taking up 17.3 per cent of the total operated area.

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- Large holdings (above 10 hectare) accounted for only 1.6 per cent of total holdings but covered 17.4 per cent of the operated area (Table 22.1). Hence, there is a wide gap between small farmers, medium farmers (peasant group) and big farmers (landlords).
- The main reason for this sad state of affairs is our inheritance laws. The land belonging to the father is equally distributed among his sons. This distribution of land does not entail a collection or consolidated one, but its nature is fragmented.
- Different tracts have different levels of fertility and are to be distributed accordingly. If there are four tracts which are to be distributed between two sons, both the sons will get smaller plots of each land tract. In this way the holdings become smaller and more fragmented with each passing generation.
- Sub-division and fragmentation of the holdings is one of the main causes of our low agricultural productivity and backward state of our agriculture. A lot of time and labour is wasted in moving seeds, manure, implements and cattle from one piece of land to another.
- Irrigation becomes difficult on such small and fragmented fields. Further, a lot of fertile agricultural land is wasted in providing boundaries. Under such circumstances, the farmer cannot concentrate on improvement.
- The only answer to this ticklish problem is the consolidation of holdings which means the reallocation of holdings which are fragmented, the creation of farms which comprise only one or a few parcels in place of multitude of patches formerly in the possession of each peasant.
- But unfortunately, this plan has not succeeded much. Although legislation for consolidation of holdings has been enacted by almost all the states, it has been implemented only in Punjab, Haryana and in some parts of Uttar Pradesh.
- Consolidation of about 45 million holdings has been done till 1990-91 in Punjab, Haryana and western Uttar Pradesh. The other solution to this problem is cooperative farming in which the farmers pool their resources and share the profit.

2. Seeds:

- Seed is a critical and basic input for attaining higher crop yields and sustained growth in agricultural production. Distribution of assured quality seed is as critical as the production of such seeds. Unfortunately, good quality seeds are out of reach of the majority of farmers, especially small and marginal farmers mainly because of exorbitant prices of better seeds.
- In order to solve this problem, the Government of India established the National Seeds Corporation (NSC) in 1963 and the State Farmers Corporation of India (SFICI) in 1969. Thirteen State Seed Corporations (SSCs) were also established to augment the supply of improved seeds to the farmers.
- High Yielding Variety Programme (HYVP) was launched in 1966-67 as a major thrust plan to increase the production of food grains in the country.
- The Indian seed industry had exhibited impressive growth in the past and is expected to provide further potential for growth in agricultural production: The role of seed industry is not only to produce adequate quantity of quality seeds but also to achieve varietal diversity to suit various agro-climatic zones of the country.
- The policy statements are designed towards making available to the Indian farmer, adequate quantities of seed of superior quality at the appropriate time and place and at an affordable price so as to meet the country's food and nutritional security goals.
- Indian seeds programme largely adheres to limited generation system for seed multiplication. The system recognises three kinds of generation, namely breeder, foundation and certified seeds. Breeder seed is the basic seed and first stage in seed production. Foundation seed is the second stage in seed production chain and is the progeny of breeder seed.
- Certified seed is the ultimate stage in seed production chain and is the progeny of foundation seed. Production of breeder and foundation seeds and certified seeds distribution has gone up at an annual average rate of 3.4 per cent, 7.5 per cent and 9.5 per cent respectively, between 2001-02 and 2005-06).

3. Manures, Fertilizers and Bio-pesticides:

- Indian soils have been used for growing crops over thousands of years without caring much for replenishing. This has led to depletion and exhaustion of soils resulting in their low productivity. The average yields of

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almost all the crops are among the lowest in the world. This is a serious problem which can be solved by using more manures and fertilizers.

- Manures and fertilizers play the same role in relation to soils as good food in relation to body. Just as a well-nourished body is capable of doing any good job, a well-nourished soil is capable of giving good yields. It has been estimated that about 70 per cent of growth in agricultural production can be attributed to increased fertilizer application.
- Thus increase in the consumption of fertilizers is a barometer of agricultural prosperity. However, there are practical difficulties in providing sufficient manures and fertilizers in all parts of a country of India's dimensions inhabited by poor peasants. Cow dung provides the best manure to the soils.
- But its use as such is limited because much of cow dung is used as kitchen fuel in the shape of dung cakes. Reduction in the supply of fire wood and increasing demand for fuel in the rural areas due to increase in population has further complicated the problem. Chemical fertilizers are costly and are often beyond the reach of the poor farmers. The fertilizer problem is, therefore, both acute and complex.
- It has been felt that organic manures are essential for keeping the soil in good health. The country has a potential of 650 million tonnes of rural and 160 lakh tonnes of urban compost which is not fully utilized at present. The utilization of this potential will solve the twin problem of disposal of waste and providing manure to the soil.
- The government has given high incentive especially in the form of heavy subsidy for using chemical fertilizers. There was practically no use of chemical fertilizers at the time of Independence. As a result of initiative by the government and due to change in the attitude of some progressive farmers, the consumption of fertilizers increased tremendously.
- In order to maintain the quality of the fertilizers, 52 fertilizer quality control laboratories have been set up in different parts of the country. In addition, there is one Central Fertilizer Quality Control and Training Institute at Faridabad with its three regional centres at Mumbai, Kolkata and Chennai.
- Pests, germs and weeds cause heavy loss to crops which amounted to about one third of the total field produce at the time of Independence. Biocides (pesticides, herbicides and weedicides) are used to save the crops and to avoid losses. The increased use of these inputs has saved a lot of crops, especially the food crops from unnecessary wastage. But indiscriminate use of biocides has resulted in wide spread environmental pollution which takes its own toll.

4. Irrigation:

- Although India is the second largest irrigated country of the world after China, only one-third of the cropped area is under irrigation. Irrigation is the most important agricultural input in a tropical monsoon country like India where rainfall is uncertain, unreliable and erratic. India cannot achieve sustained progress in agriculture unless and until more than half of the cropped area is brought under assured irrigation.
- This is testified by the success story of agricultural progress in Punjab, Haryana and western part of Uttar Pradesh where over half of the cropped area is under irrigation! Large tracts still await irrigation to boost the agricultural output.
- However, care must be taken to safeguard against ill effects of over irrigation especially in areas irrigated by canals. Large tracts in Punjab and Haryana have been rendered useless (areas affected by salinity, alkalinity and water-logging), due to faulty irrigation. In the Indira Gandhi Canal command area also intensive irrigation has led to sharp rise in sub-soil water level, leading to water-logging, soil salinity and alkalinity.

5. Lack of mechanisation:

- In spite of the large scale mechanisation of agriculture in some parts of the country, most of the agricultural operations in larger parts are carried on by human hand using simple and conventional tools and implements like wooden plough, sickle, etc.
- Little or no use of machines is made in ploughing, sowing, irrigating, thinning and pruning, weeding, harvesting, threshing and transporting the crops. This is specially the case with small and marginal farmers. It results in huge wastage of human labour and in low yields per capita labour force.
- There is urgent need to mechanise the agricultural operations so that wastage of labour force is avoided and farming is made convenient and efficient. Agricultural implements and machinery are a crucial input for efficient and timely agricultural operations, facilitating multiple cropping and thereby increasing production.

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- Some progress has been made for mechanising agriculture in India after Independence. Need for mechanisation was specially felt with the advent of Green Revolution in 1960s. Strategies and programmes have been directed towards replacement of traditional and inefficient implements by improved ones, enabling the farmer to own tractors, power tillers, harvesters and other machines.
- A large industrial base for manufacturing of the agricultural machines has also been developed. Power availability for carrying out various agricultural operations has been increased to reach a level of 14 kW per hectare in 2003-04 from only 0.3 kW per hectare in 1971-72.
- This increase was the result of increasing use of tractor, power tiller and combine harvesters, irrigation pumps and other power operated machines. The share of mechanical and electrical power has increased from 40 per cent in 1971 to 84 per cent in 2003-04.
- Uttar Pradesh recorded the highest average sales of tractors during the five year period ending 2003-04 and West Bengal recorded the highest average sales of power tillers during the same period.
- Strenuous efforts are being made to encourage the farmers to adopt technically advanced agricultural equipment in order to carry farm operations timely and precisely and to economise the agricultural production process.

6. Soil erosion:

Large tracts of fertile land suffer from soil erosion by wind and water. This area must be properly treated and restored to its original fertility.

7. Agricultural Marketing:

- Agricultural marketing still continues to be in a bad shape in rural India. In the absence of sound marketing facilities, the farmers have to depend upon local traders and middlemen for the disposal of their farm produce which is sold at throw-away price.
- In most cases, these farmers are forced, under socio-economic conditions, to carry on distress sale of their produce. In most of small villages, the farmers sell their produce to the money lender from whom they usually borrow money.
- According to an estimate 85 per cent of wheat and 75 per cent of oil seeds in Uttar Pradesh, 90 per cent of Jute in West Bengal, 70 per cent of oilseeds and 35 per cent of cotton in Punjab is sold by farmers in the village itself. Such a situation arises due to the inability of the poor farmers to wait for long after harvesting their crops.
- In order to meet his commitments and pay his debt, the poor farmer is forced to sell the produce at whatever price is offered to him. The Rural Credit Survey Report rightly remarked that the producers in general sell their produce at an unfavourable place and at an unfavourable time and usually they get unfavourable terms.
- In the absence of an organised marketing structure, private traders and middlemen dominate the marketing and trading of agricultural produce. The remuneration of the services provided by the middlemen increases the load on the consumer, although the producer does not derive similar benefit.
- Many market surveys have revealed that middlemen take away about 48 per cent of the price of rice, 52 per cent of the price of groundnuts and 60 per cent of the price of potatoes offered by consumers.
- In order to save the farmer from the clutches of the money lenders and the middle men, the government has come out with regulated markets. These markets generally introduce a system of competitive buying, help in eradicating malpractices, ensure the use of standardised weights and measures and evolve suitable machinery for settlement of disputes thereby ensuring that the producers are not subjected to exploitation and receive remunerative prices.

8. Inadequate storage facilities:

- Storage facilities in the rural areas are either totally absent or grossly inadequate. Under such conditions the farmers are compelled to sell their produce immediately after the harvest at the prevailing market prices which are bound to be low. Such distress sale deprives the farmers of their legitimate income.
- The Parse Committee estimated the post-harvest losses at 9.3 per cent of which nearly 6.6 per cent occurred due to poor storage conditions alone. Scientific storage is, therefore, very essential to avoid losses and to benefit the farmers and the consumers alike.
- At present there are number of agencies engaged in warehousing and storage activities. The Food Corporation of India (F.C.I.), the Central Warehousing Corporation (C.W.C.) and State Warehousing Corporation are

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among the principal agencies engaged in this task. These agencies help in building up buffer stock, which can be used in the hour of need. The Central Government is also implementing the scheme for establishment of national Grid of Rural Godowns since 1979-80.

- This scheme provides storage facilities to the farmers near their fields and in particular to the small and marginal farmers. The Working Group on additional storage facilities in rural areas has recommended a scheme of establishing a network of Rural Storage Centres to serve the economic interests of the farming community.

9. Inadequate transport:

- One of the main handicaps with Indian agriculture is the lack of cheap and efficient means of transportation. Even at present there are lakhs of villages which are not well connected with main roads or with market centres.
- Most roads in the rural areas are Kutcha (bullock- cart roads) and become useless in the rainy season. Under these circumstances the farmers cannot carry their produce to the main market and are forced to sell it in the local market at low price. Linking each village by metalled road is a gigantic task and it needs huge sums of money to complete this task.

10. Scarcity of capital:

- Agriculture is an important industry and like all other industries it also requires capital. The role of capital input is becoming more and more important with the advancement of farm technology. Since the agriculturists' capital is locked up in his lands and stocks, he is obliged to borrow money for stimulating the tempo of agricultural production.
- The main suppliers of money to the farmer are the money-lenders, traders and commission agents who charge high rate of interest and purchase the agricultural produce at very low price. All India Rural Credit Survey Committee showed that in 1950-51 the share of money lenders stood at as high as 68.6 per cent of the total rural credit and in 1975-76 their share declined to 43 per cent of the credit needs of the farmers.

This shows that the money lender is losing ground but is still the single largest contributor of agricultural credit. Rural credit scenario has undergone a significant change and institutional agencies such as Central Cooperative Banks, State Cooperative Banks, Commercial Banks, Cooperative Credit Agencies and some Government Agencies are extending loans to farmers on easy terms. There has been a steady increase in the flow of institutional credit to agriculture over the years:

Table: 1. Institutional Credit to Agriculture

Institutions	1999-00	2000-01	2001-02	2002-03	2003-04
Co-operative Banks	18,363	20,801	23,604	24,296	26,959
Share per Percent (%)	40	39	38	34	31
Regional Rural Banks	3,172	4,219	4,854	5,467	7,581
Share per Percent (%)	7	8	8	8	9
Commercial Banks	24,733	27,807	33,587	41,047	52,441
Share Per Percent (%)	53	53	54	58	60
Total	46,268	52,827	62,045	70,810	86,981
Percent (%) Increase	26	14	17	14	22

IV. AGRICULTURE VERSUS INDUSTRIALIZATION

Even when Mahatma Gandhi's influence was at its peak there were people who advocated industrialization and urbanization and modernization very strongly. However, in Gandhi's conception of Swaraj (complete independence) agriculture was the cornerstone of all development. He wanted policies that would help build up agriculture and production of goods essential for the people through a network of cottage industries that would generate employment for the people. Mahatma Gandhi's model was not centralised mass production, but production by the masses. Surely, there would be no difficulty in finding land and other resources for these small cottage industries. The local bodies and

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community at large would provide the land. There would be no need for large scale land acquisition for various schemes and the problems of displacement, deprivation of means of livelihood, environmental degradation that are inherent with large projects. At present, the model of development is industry focussed, which calls for big machines, plants, townships, business complex, high tech parks etc – all things that need large amounts of land. And in many of the cases, the land that is taken over is fertile land and large communities of farmers, tribal, fishermen and other marginalized sections of society are displaced. In many cases those displaced were the original inhabitants of the area. This development which is being built on the grave of agriculture and community is anti-thesis of Mahatma Gandhi's concept of Swaraj. Now the question arises: 'how can projects be implemented as the land and other resources belong to the community at large?' For any plants or industry to be built the people of the area have to come together and decide on whether they want that plant or unit to come up and if they agree then they will donate land voluntarily for the industry. Thus, it would be their own industry and they will run it themselves and it would again be 'production by the masses'.

The project is participatory and it would be run for the greater benefit of the society and nation at large. The role of the state would be to help in the setting up of the industry by giving finance, technical expertise and other needed support. However, the project would belong to the people. There will be no multinationals or local industrial houses and this concept is also much ahead of the 'public sector' 'private sector' debate. They would be owned by the Peoples' sector or the Communitarian sector. This can be the next step in Mahatma Gandhi's vision. The question of land is fundamental to everything and vested interests understand their importance. It is for this reason that investors, corporate groups and other rich people are trying to corner as much of land as possible and their land hunger has increased by leaps and bounds. As a result, farmers are being evicted from their land and non-farmer units are being set up there. Instead of farmer tilling the land, it is now corporate farming or contract farming. Mahatma Gandhi used to say, 'The land belongs to the tiller', but now in this age of globalisation the mantra has changed to become, 'Hand over lands to corporates'.

V. POSITION OF FARMERS IN INDIA

In fact, agriculture sector does not require money flow alone – more important is to have the infrastructure development at the earliest. Dependence on rain god adds to the woes. And then floods and droughts are becoming an annual ritual. Productivity gets a blow in the absence of quality seeds and other inputs supplies – a slow modernization process. Consistent decline in the share of private-sector investment in the agriculture sector is a matter of concern. This trend needs to be reversed through creation of a favourable policy environment and availability of credit at reasonable rates on time for the private sector to invest in agriculture. That is why the crucial requirement is there to beef up coordination among different sections involved in the process of farm sector's development. There is no short cut formula on this score and it is to be especially seen by all concerned that repayment culture is not distorted. Recycling of farms still poses the biggest menace. Huge provision for loan waiver cannot and should not be the escape route, though politically attractive. Assets generation over space and time is badly required at this juncture. Practical support to the farmers stay at the top if ultimately a changed picture is aimed at especially when potentiality galore.

Coming up with an alternative institutional arrangement seems to very crucial at this juncture considering the very aspect of technology transfer to villages to tap the huge potentiality of employment in the rural nonfarm sector. The NGOs could come in a bigger and planned way to play a vital role in the matter of choice of technology and its transfer to villages. That is to say, the need has largely been felt as to evolving a sustainable system by linking up rural industries with the modern industrial sector. As the fragmentation of land holdings has been on, more and more farmers are marginalized, income and employment creation through the non-farm sector through technology transfer could act as a saviour since the non-farm sector already contributes to about 40 per cent of rural income whereas only 10 per cent of the rural people (around 7 crore) was engaged in non-farm activities. Expansion of this magnitude by tapping the vast potential in the non-farm sector may reasonably be the prominent way to eradicate rural poverty.

Of course it is better to have a basket full of technologies. For that matter appropriate and effective delivery system to transfer technology to the rural artisans, potters, weavers, and blacksmiths and so on could go a long way to make them keep heads above competitive environment. Raising agricultural productivity through technology transfer could likewise act as booster to the region suffering from low productivity. It also remains the fact that in countries like India 72 per cent of population still stay in rural areas and even one per cent shift in population would involve 10 million.

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Value addition through food processing, fisheries' improvement, quality breakthrough for arts and crafts and standardization in medicinal herbs, etc have the potentiality to create jobs. A network of rural industries backed by modern industry experts and networking of rural development agencies capable of such transfer of technology could yield better results even within the traditional scenario.

Agricultural development, in fact the whole process of rural development, requires a shot in the arm. Reforms should not be stopped since once we have entered into the tunnel every effort must be made to come out of the tunnel, the process being very difficult and complex too, simply because of the fact that the steps taken till now as well as the very implementation process is full of gaps which should have been bridged during last 60 years of planning. Micro-level planning largely continues to cry in the wilderness, irrespective of painted and projected rosy pictures. Political decisions overrule economic justifications, further complicating the development scenario. Either the projects are delayed or follow up measures are absent or inadequate.

Recent studies also clearly indicate adverse impact of climate change on agriculture. Crop improvement and research to develop drought-floods-resistant high-yielding varieties of seeds assumes importance with a view to combating adverse impact of drought on food production and to ensure food security. Climate change factors would continue to play their role. Adaptation and mitigation process requires a time-bound plan otherwise situation will further deteriorate.

That is why the time is for action so that the gaps are taken care of in a bigger and speedier way keeping in view the global trend. Especially for food grains a lot depends on this part of the world (India, China where half of the world population live in). It should not be forgotten that around 15 per cent of the world population remain below the poverty (line of \$1.25 per day, around 18 per cent of population below the poverty line of \$2 per day live in China!). India's situation has not been good too on this score. Distribution of income between the people is a point to see. Inequality (measured with the help of Gini coefficient – which has a value of one when all the income in an economy accrues to one person and zero when every person in an economy has the same, equal income) combating cannot be there if the micro-factors are not taken care of. In India the fault not only lies with the planning process (politics overriding the economic considerations), but very poor implementation process / project delays and the like. Even where the plan had been a good one and implementation done well, the post follow up remained far from being satisfactory as a result of which continuous assets generation got terribly blocked.

The real challenge that comes in the way of making agriculture an instrument of development lies outside agriculture – managing the political risks. The crucial need is there to share the ideas, experiences and expertise, setting up of a common seed bank, joint research centre, surveillance and early warning system between the nations. Investment and regional cooperation in research and development must be at the top of regional meets be it north or south. Building up partnership with the scientists and research bodies have now become more essential than ever before. And then go for rapid technological innovation. It is good to note that the ethical dimension of “development as freedom” has been accepted by the Governments. Dr. Amartya Sen very nicely described development as a process of expanding the real freedom that people enjoy. Rightly, freedom depends also on other determinants like education, health care as well as political and civil rights.

Summary:

We need to address the challenges of the agriculture sector through comprehensive and coordinated efforts. Renewed attention needs to be paid to improving farm production and productivity, better utilization of agricultural inputs, proper marketing infrastructure and support, stepping up investment in agriculture with due emphasis on environmental concerns and efficient food management. The urgent problem that needs solution is two dimensional – income and employment. Rising of the general income would dependent on several planks like:

1. Better utilization of resources
2. Minimization of cost &
3. Maximizing output.

While the employment criteria needs to be tackled through :

- A. Earning job through most of the year and
- B. Creating jobs in allied activities like goat rearing, bullock-maintenance, home hold gardening, cottage industries etc.

Regarding job creation and income-generation, the thing which has to receive attention is the closeness towards traditional practices as it would be easier for the farming community to devote themselves spontaneously and continuously in activities, which they can adapt to easily. As a result of these, the interactions between agricultural,

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industrial and tertiary sectors would go up by leaps and bounds. Let there be realistic planning so that economies like India could be able to register a double digit GDP growth ensuring equitable justice.

VI. CONCLUSION

Despite of having legendary excellence in cottage and small scale industry Indian cottage and small scale industry is yet to become a persuasive tool for development of the rural poor in terms of their livelihood security and sustainability. They are much more socially and economically underprivileged than the urban till today; thanks to unequal developmental approach taken by the British rulers and not to forget the destruction of rural enterprises for the sale of European produces during the colonial period. Those two centuries of British dynasty have created so many lesions that even seven decades of post-independence healing has not proved to be sufficient. The forgotten trend of cottage industries being self-dependent may return again but a lot of effort needs to be put into it to make it possible. MSME is just one of the tools that can strengthen the root of cottage industries in India with its cluster or collective approach. The cumulative efforts of the small artisans may bring about large outcomes; moreover, common goals can be achieved by joining hands together. Obstacles may be minimized due to joint efforts and enhanced profitability becomes quite a possibility on the other hand. This way of bringing upliftment of livelihood of rural artisans not only helping the almost forgotten rural trades to revive but also assisting to build bondage among the same trade operators in rural India. And future will answer, of course, many more questions about the exact role that is being played by this scheme for development of rural artisans.

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