

# **Seminar on**

## **Agrarian Crisis, Rural Credit and Employment in the North East**

*Organized by*

*Department of Economics, NEHU Shillong*

*&*

*OKD Institute of Social Change and Development, Guwahati*

Scholars working in the area are invited to submit their abstracts (not more than 500 words) in any of the broad issues given in the brief note. Based on the relevance and merit of the abstracts, participants will be selected. Only selected scholars will be informed.

There will be also few invited Resource Persons from the fields of academics and development practice.

### ***Concept note***

The evolution of the economy of the North Eastern Region (NER) is a journey from agro climatic, hilly subsistence, mono-cropping agriculture, to a one of a relatively open economy, with elements of diversification in its activity and income space. Prior to the coming of the British to the region, rights in the land (except for the homestead) had often been held jointly or wholly by a village community. An individual did not lay a claim on proprietary rights over the land nor was any land marketable. But, after the coming of the British, the situation changed to a great extent when individual proprietary rights on land was introduced by the British administration by new land revenue and tenure laws. The new system recognized tenants as peasant proprietors, and this made many peasant cultivators the owners of the land they cultivated. There was substantial change in the valley areas as also in the hill areas with respect to land use patterns. A vast majority of the hill people had no doubt been shifting cultivators but their interest in land and attachment with land is no less intense than settled cultivators.<sup>1</sup>

With the partition of the country, the economy of the region virtually became a closed entity with much of the economic activities except agriculture being undertaken by the government. As articulated by Jairam Ramesh, the region's approach towards development has been influenced by four dominant paradigms- the glorification of ethnic and cultural diversity of the region in the 50's, the security syndrome of the 60's, the state reorganization process of the 70's and 80's and the decade of development investment since the 90's. The proclamation

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<sup>1</sup>M.N. Karna (1987): Historical Studies in the Agrarian Problems in North East India in *Land Relations in Northeast India* (ed) B.B., Dutta and M.N.Karna, People's Publishing House, 1987, New Delhi

of the Look East Policy and now the Act East Policy(AEP), has led to flurry of investment in infrastructure, connectivity and opening of border trade points emphasizing that Northeast is Gateway to Southeast Asia.

Despite the various interventions, the economy of NER even today is predominantly rural and agrarian<sup>2</sup>. Agrarian issues still constitute the core of the economic problems. But agricultural economy of the region is in a crisis. This is manifested in the form of low productivity, and huge imbalance between the contributions of agriculture to states' domestic products and the large proportion of workers engaged in agriculture. Further, it is also characterised by increased landlessness and alienation of cultivable land and small sized farm plots. Deficits and near absence of institutional support is another binding constraint. The fall out has been not only marginal farm plots and indebtedness, but reports of farmers' suicide in the region in recent times. As per the data released by the National Crime Records Bureau in 2014, the state of Assam in the region recorded about 21 cases of farmers' suicide which raises an alarm on the impending crisis in the economy of the region.

The drastic reduction in the state's spending on rural development since the economic reforms in India in 1992 has led to loss of purchasing power among rural people. Expenditures in rural development, under which fall the heads agriculture, rural development, special areas programmes, irrigation and flood controls, and village and small scale industry, have been slashed. A study<sup>3</sup> on agrarian crisis found that repeated crop failure, inability to meet rising cost of cultivation and indebtedness have been recurring problem in Indian agriculture which have remain largely unaddressed. According to UtsaPatnaik<sup>4</sup>, "forty years of successful effort in India to raise foodgrains absorption through Green Revolution and planned expansionary policies, has been wiped out in a single decade of deflationary economic reforms and India is back to the food grains availability level of fifty years ago" In regions like north east, combination of high cost of production (owing to higher input prices and higher cost of labour), low market price and non- availability of easy credit has contributed to an enormous debt burden and outmigration in search of alternatives.

Perhaps, there is need for structural transformation in the economy of the region. Theories on structural transformation (Fisher 1939, Clark 1940, Lewis 1954, Chenery 1960 and Kuznets 1966) essentially argue for a process of economic development in terms of reallocation of resources; primarily labour from low productive activities to high productive activities. The other theory which is an important sub-component of the theory of structural transformation is promoting development through positive linkage effect between agricultural and non-agricultural sectors/activities (Mellore, 1976).

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<sup>2</sup>Although there has been a gradual decline in the proportion of rural population working in agriculture (both cultivators and agricultural labourers taken together) over the last two decades (Census 1991-2011), the proportion of agricultural workers (cultivators and agricultural labourers together) has been increasing in the total workers. Also there is a gradual increase in female marginal workers in agriculture which reflects the distressed situation.

<sup>3</sup>Tata Institute of Social Sciences, "Causes of Farmer Suicides in Maharashtra: An Enquiry", March 15, 2005.

<sup>4</sup>Patnaik, U., "It is Time for Kumbhakarna to Wake up", The Hindu, August 5, 2005

Against the above backdrop, it is felt that there is an urgent need to deliberate and understand the changing situation in the agricultural sector and its impact on the other sectors in the economy of the region particularly with respect to institutional arrangements. The two day seminar aims to address some of the issues in this respect which can be broadly classified as:

1. Political economy of Agrarian Crisis in NER
2. Agricultural practices and Northeast economy
3. Development, dispossession and landlessness
5. Rural households and their access and availability of credit
6. Livelihood crisis, Employment & unemployment and migration

### **Objectives and Expected Outcome**

On the backdrop of the above introduction, this two days seminar aims at bringing in scholar working on these above mentioned issues both from the fields of theory and practice to present their views and findings to be subsequently discussed and deliberated upon.

At the end of the seminar expected outcomes are, (i) based on the presentations and discussions, insights will also be formed to develop specific perspectives/theories on these subjects where there exists none. (ii) Suggestions shall be offered on these important issues which may go as inputs for policy prescriptions.

### **Venue and Date**

**Department of Economics, North Eastern Hill University, Shillong: 23-24<sup>th</sup> February, 2018.**

**Last date for submission of abstracts: 26<sup>th</sup> December, 2017**

**Last date for submission of full paper: 10<sup>th</sup> February, 2018**

The abstracts should be mailed to [seminar.okd@gmail.com](mailto:seminar.okd@gmail.com)

**For any query you can write to**

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