

# *Agricultural Development For Inclusive Growth*

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## **Abstract**

The process of Liberalization of the Indian economy introduced through economic reforms initiated in 1991, has largely bypassed the agricultural sector. The first generation of reforms concentrated on the industrial economy and reforms in the agricultural sector were neglected. The much hyped story of India's economic growth hides the truth about heightened inequality, the blatant biases against the poor, the hostility of the state towards welfare, and the misery wrought upon the poorest of the poor. More than 80 percent of India's farmers belong to the categories of small and marginal farmers, with an area share of more than 40 percent. The support systems and policy changes have to be tuned in such a way that they improve the productivity and income of the small and marginal farmers.

This paper has been divided into three sections. Section I discusses the emerging issues in major agricultural policies – price policy, subsidies and investments, rural infrastructure, irrigation, water management agricultural credit, research and extension. Section II describes the tragedy of Indian planning and the muddle – headedness of food management policy. It summarizes the redrafting of the agenda for agricultural development. Section III sums up the Eleventh Five Year Plan : Inclusive growth through agricultural reforms, and concludes that if this momentum can be accelerated in the year ahead, it will put India on the path to become one of the key players in the world economy over the next two decades.

## **AGRICULTURAL DEVELOPEMNT FOR INCLUSIVE GROWTH**

**Introduction:** The process of Liberalization of the Indian economy, introduced through economic reforms initiated in 1991, has largely bypassed the agricultural sector. The first generation of reforms concentrated on the industrial economy and reforms in the agricultural sector were neglected. The much hyped story of India's economic growth hides the truth about heightened inequality, the blatant biases against the poor, the hostility of the state towards welfare, and the misery wrought upon the poorest of the poor. The vast majority of rural poor depend either directly or indirectly on agriculture for their livelihood. Sustained growth in agricultural production and productivity is one of the most important ways to alleviate hunger and poverty.

This paper has been divided into three sections. Section I discusses the emerging issues in major agricultural policies. Section II describes the tragedy of Indian planning and the muddle – headedness of food management policy. Section III briefly reviews the holistic and inclusive growth approach of Eleventh Five Year Plan. It stresses on dignity and participation of all sections of society through Agricultural Reforms.

### **Section I : Issues**

**1. Price Policy:** The major underlying objective of the Indian governments price policy basically consists of three instruments: procurement prices / minimum support prices, buffer stocks and public distribution system (PDS) Government of India (GOI) follows a Minimum