

Rural transformation in Eastern India: Still lagging behind?

Ranjit Kumar, Uttam Deb, Cynthia Bantilan and Umesh Singh Yadav
International Crops Research Institute for the Semi-Arid Tropics, India

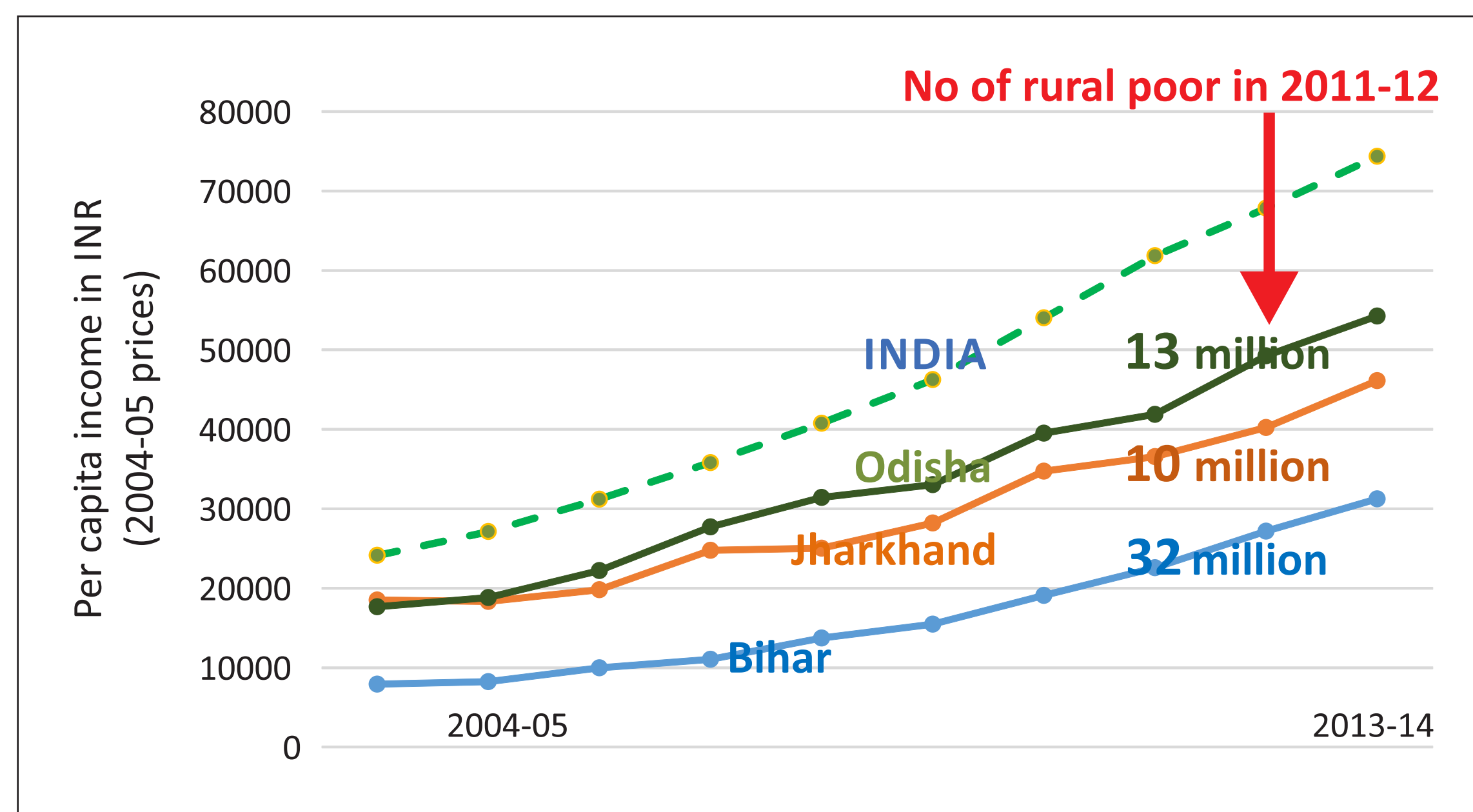
Transformation with paradox

- Bihar, Jharkhand and Odisha states- fast growing economies
- Still, about 85% of total population (26.7 million) staying back in rural area and still growing
- Rural population mostly depending on farm sector for their livelihood, but farm size too small
- Abode of resource-poor people, but dismal presence of infrastructure and service delivery
- Pace of transformation fast but needs further boost to alleviate mass poverty in the region.

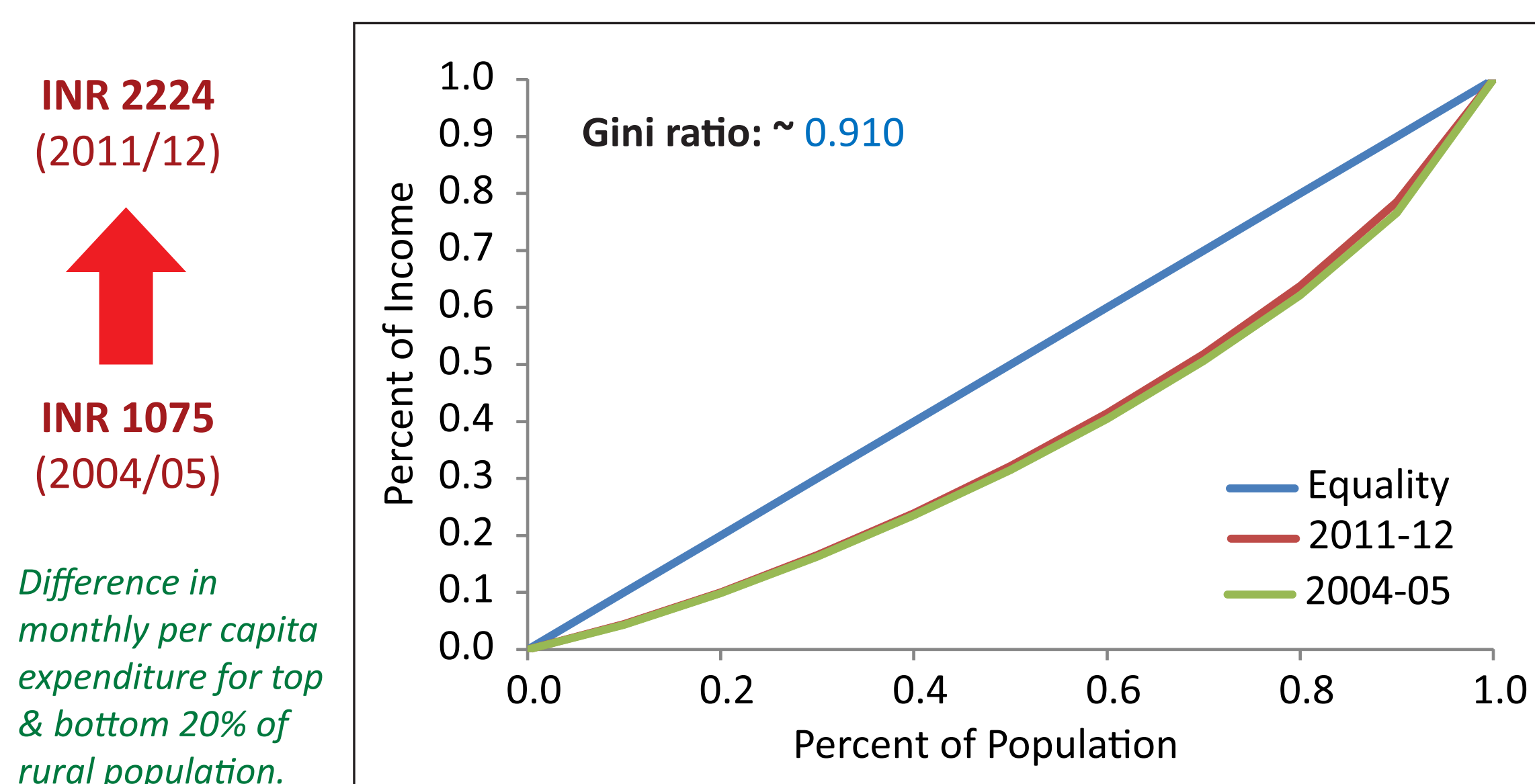
Objectives

- To examine the change in labour force and their source of livelihood in the region in recent years
- To take stock of the enabling environment to give impetus for rapid rural transformation.

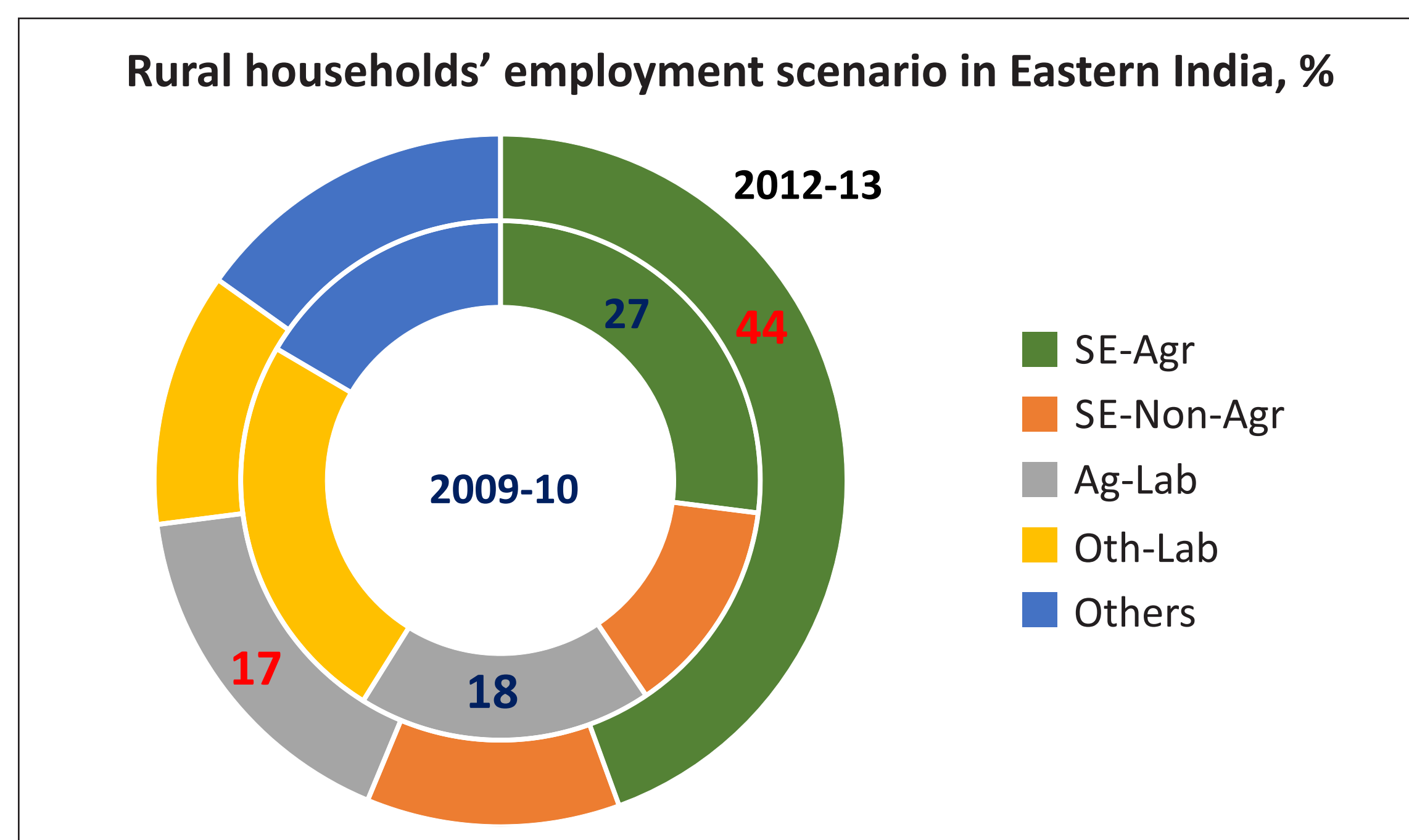
Rising income, yet lagging behind



Rural income also rising, but inequality persists



Non-farm sector: Not yet ready



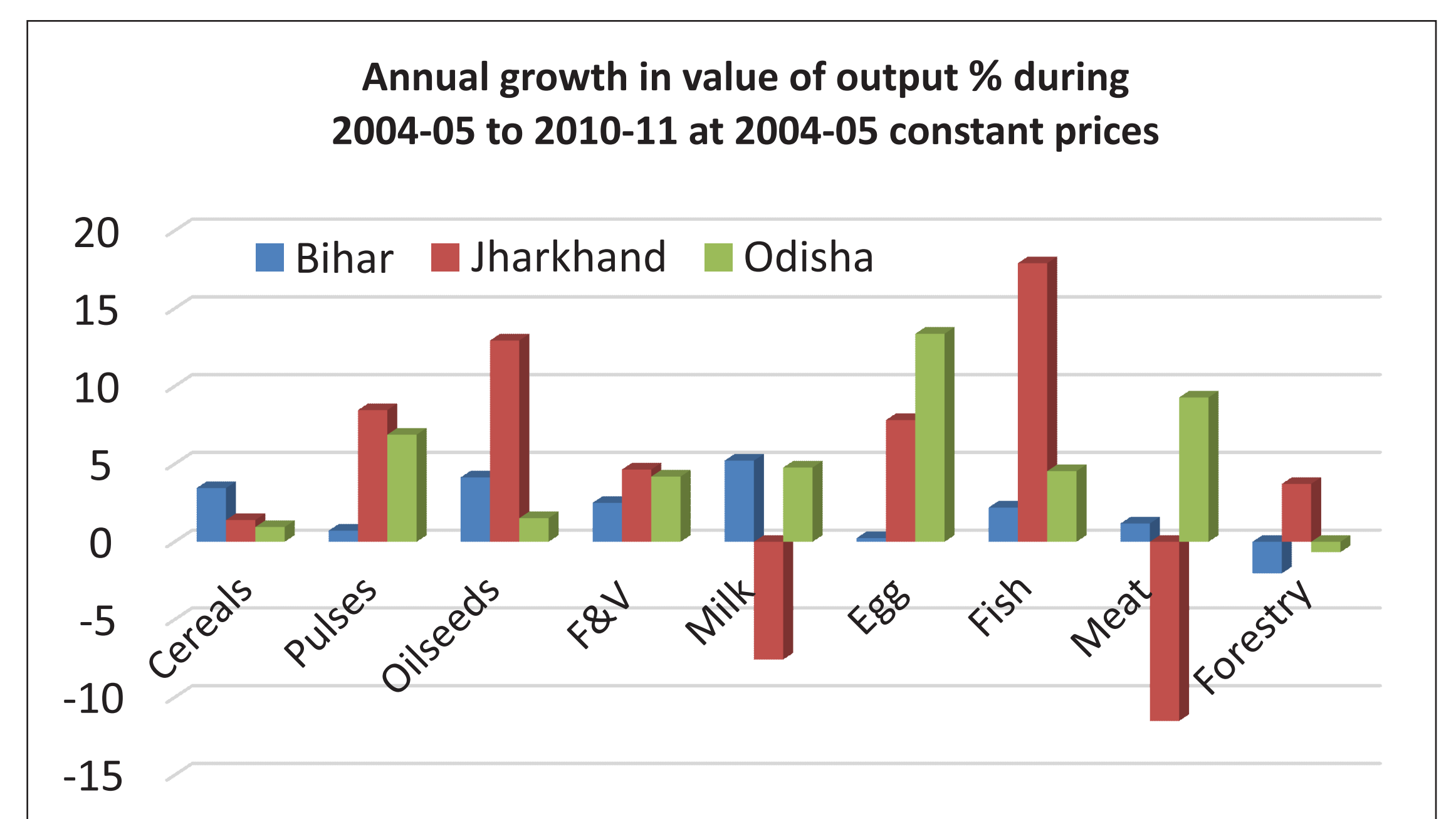
- Importance of agriculture as self-employed or labour wage increased- Not by choice, but by default
- Non-farm sector not expanding fast to absorb rural labour.

Reducing farm-size, but ever increasing farm-labourers: Double whammy?

States	2010-11		
	Share of marginal farmers, <1ha (MF)	Avg. size of operational land holding with MF (ha)	Ratio of increase in farm labor to non-farm labor (2011 over 2001)
Bihar	91%	0.25 (0.43)	2.36
Jharkhand	68%	0.41 (1.17)	1.94
Odisha	72%	0.57 (1.15)	1.73
All India	67%	0.39 (1.23)	2.50

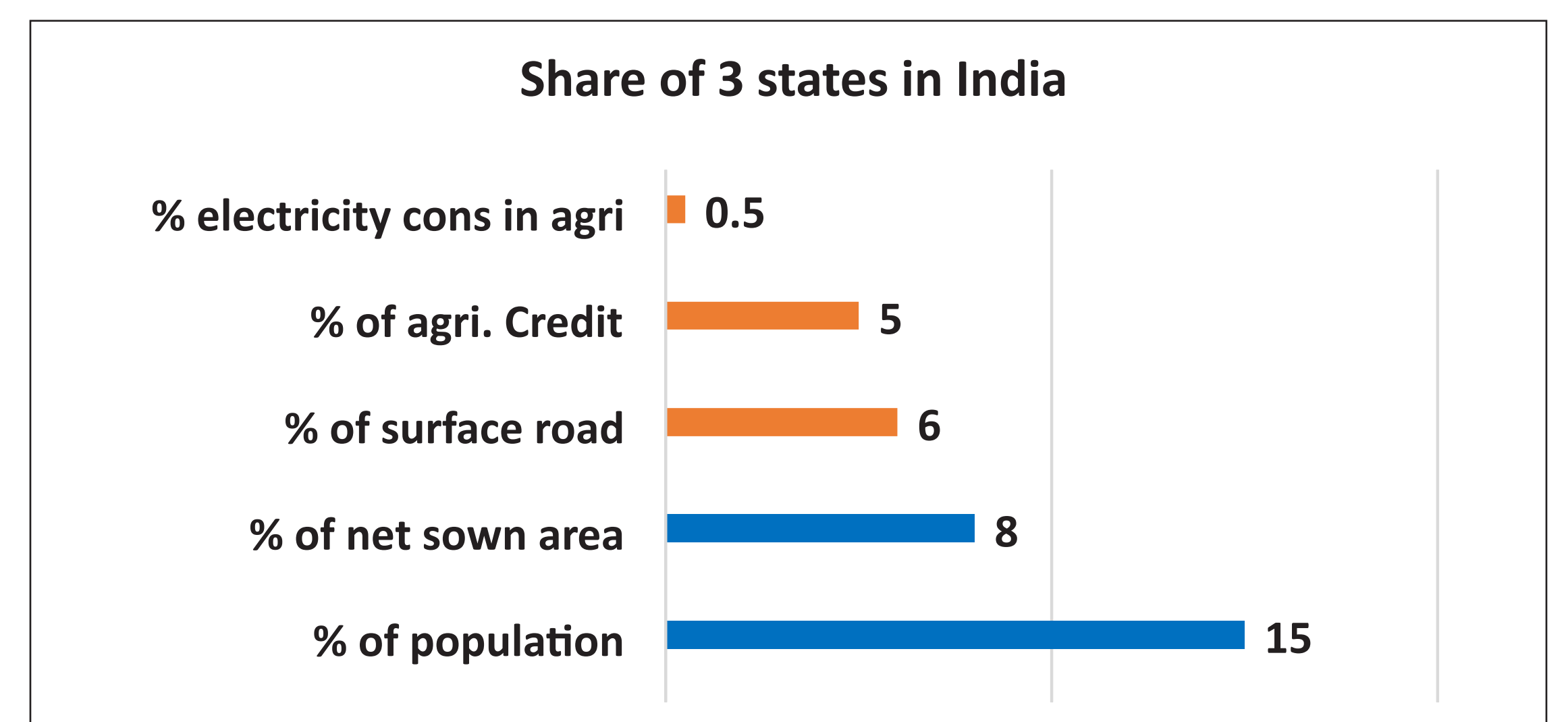
Within parentheses are overall avg. size of holding.

- Farm size of most of the farmers very small
- Viability of farm providing livelihood- questionable
- No. of farm-labours increased about 200% more than non-farm labour in rural area of eastern region
- Crossroads- unprepared non-farm sector, low income from farming & rising dependence on farm.



Diversifying income source

- Each state has its own comparative advantages & local preference
- Bihar: Cereals (maize, wheat), oilseeds (R/M) and milk
- Jharkhand: Pulses, oilseeds, F&V, egg, fish & forestry
- Odisha: Pulses, F&V, milk, egg, fish & meat.



Disproportionate investment in infrastructure

- Weak institutions and poor infrastructure
 - escalating the cost of transactions, & reducing the farm profitability.

Conclusion

- Rural transformation in eastern India requires more aggressive investment in infrastructure, institutions development and service delivery
- Further, more innovations required in rural area to catalyse the employment opportunities- supplementing and complementing the agriculture & allied sectors.