The Presidents Speak*

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The Indian Society of Agricultural Economics is perhaps, including the Indian Econometric Society, the best run of all the professional economics bodies of economists in India. Every decade or so it brings out a collection of papers, which are of great use to students, teachers, researchers and policy makers interested in Indian Agriculture (For the latest version see (ISAE, 2016a). In its Platinum Jubilee Year it did great service to the profession by bringing out all the Addresses its Presidents, distinguished scholars and/or policy makers, delivered to the Society. These Addresses published in three volumes: Indian Agricultural Economy during Pre-Green Revolution Era, 1940 to 1965, Vol.1, (ISAE, 2016b), Indian Agricultural Economy During Green Revolution Period, 1966-1990, Vol.2, (ISAE, 2016c) and Indian Agricultural Economy under Liberalised Regime, 1991-2015, Vol.3, (ISAE, 2016d) are must read and worth buying for Rs.4785 minus whatever discounts you get. Introductions to them by Prof. V.S. Vyas (ISAE, 2016b, pp.13-28), Prof. S.S. Johl (ISAE, 2016c, pp.13-36) and Prof. Abhijit Sen (ISAE, 2016d, pp.13-30). Prof. Vyas and Prof. Johl have stuck to the straight and narrow path, giving excellent summaries in economics essay form. Prof Sen has organised his thoughts around themes and uses ‘The President’s Words’ to illustrate them. Given the honour of reviewing the Volumes I am saved the labour of summarising the words of the Presidents as the Introductions are already there. Again you can’t really ‘Review’, Presidential Speeches assuming that the great men and women don’t make elementary mistakes. So my work is fun and games. The nuances of the period as we look backward, the larger context as it where, the contribution ‘that’ President made even if we don’t associate with him in general folklore, that contribution which was an irritant or common place then and is famous now, that idea which was a faith for the President and so on is, all I can do and I enjoyed doing it.

The first President Sir Malcolm Lyall Darling comes out, not only for what he is famous for namely rural debt and relief but, as a philosopher historian ruminating on the role of the peasantry in human civilisation. He sees the peasant through the Centuries and through Space, a preoccupation which leaves its mark on anyone who is interested in agriculture. Speaking on India, Sir Malcolm dwells on ancient Greece,


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Eastern Europe, Russia and so on. I myself remember that when I was asked to give the first lecture at the great Biblioteca Alexandrina in Egypt after it was built on a grand scale to house the Dead Sea scrolls and provide the space for the ‘Dialogue of Civilisations’, a role Egypt values, I spoke of the peasant in China, Egypt and India as the most enduring form of economic organisation human civilisation knew and how invaders took their loot but could never change it and in fact suffered if they ever attempted to do so. Sir Malcolm does it with great panache and feeling and so “So ancient and developed an institution as the Indian village community, with the delicate balance of rights and obligations could not have held together for many hundred years without some illumination from the spirit of man.” (ISAE, 2016b, p.40). He regrets the decline in moral values in the land of the Ramayana and Mahabharata and of Tukaram and Eknath. The value of democracy is an individual’s autonomy or Independence but Indian villages are steeped in ‘biradri’ or social values to be cherished. In the early Forties of the last century, he is setting himself in Free India and wants to develop Panchayats and Co-operatives, as a part of peasantry as a way of life. The next President Vijayaraghavacharya sets down in detail issues since debated. He prefers multipurpose cooperative societies and wants village guides (extension workers?) and gets into at some length debt relief and rural finance, a discussion which is surprisingly contemporary, a humbling thought on the slow progress of knowledge in the service of man.

Sir Manilal Nanavati’s addresses turn out to be disturbingly contemporary, although he was at that time only conjuring the role of planning the agricultural economy of India. He highlights the narrow concerns of Government departments and the larger required and possible canvas of agricultural supplies expanding to meet demand. He speculates on per capita availability declining in the earlier period and asks for better statistics. This is by now well known as per capita consumption went down from around 200 kgs/caput annual in the beginning of the last century to around 145 kgs by the time Sir Manilal was speaking (Y.K. Alagh, 1991,p.3). He sets out the needs of land and inputs and of holistic approaches and how even problem-oriented Official Committees miss the boat. He makes a plea which still resonates on the need of an endowed Chair in Agricultural Economics in each University. He makes a passionate plea for agricultural statistics which has been repeated by a recent Report of a Committee under the Chairmanship of the present author set up by the National Statistical Commission on the requirements of agricultural statistics now. (Government of India, National Statistical Commission, 2013) He expects the Grow More Food Campaign to fail and gives in some detail, a scenario to work on to avoid such failures, a scenario repeated by another baronet, Sir S.V. Ramamurty. V.L. Mehta sees a network of village level co-operative credit societies as almost a national requirement and points out that the recommendations of D.R. Gadgil for a parallel banking system for rural credit organised by a Government Corporation is made because of the lack of a co-operative network which of course begs the question as to why such deficiencies arise. More generally the Presidents of
that period, including Rajendra Prasad and R.K. Patil see co-operatives as the panacea of overcoming the bottlenecks created by small landholdings in allowing access to modern inputs requiring size as a precondition. So we have mechanisation, market access and so on through village level co-operatives as a ‘solution’ to the technology access issue of small farms.

C.N. Vakil repeats Sir Manilal’s concerns on the teaching of agricultural economics and research into it. In a more concrete sense he asks for University Departments, Chairs and separate research provision for the subject. He also wanted an Economics wing to the ICAR, now the NCAP. He sets in detail the requirements of planning agriculture largely seen then as food self reliance and the statistical machinery to do this. He laments that the targets were not consistent with either resource allocations or policies and asks for holistic planning of the sector. The early Presidents of that period were all emphasising these themes like J.J. Anjaria, D.G. Karve and B.K. Madan. V.T. Krishnamachari, given his position as a planner gave a holistic description of agricultural schemes in the context of rural development. Anjaria also gave an economists’ perspective on agriculture as a part of the national economy. These were themes dealt with also by V.K.R.V. Rao, Tarlok Singh and J.P. Bhattacharjee, who was to go to the FAO.

It was left to Prof. D.R. Gadgil to deal comprehensively with the institutional base of Indian agriculture particularly its land relations and landless labourer endowments, presenting both the problems with Indian peculiarities and the potentials. A somewhat comprehensive treatment of the economics of Indian agriculture in terms of demand and supply and what is equally important structural change in the economy as a part of the growth process was laid out by B.N. Ganguly. His contribution was also in my mind perhaps the only President who spoke of the ‘vent for surplus models’ of the agricultural sector as a part of the structural change process.

The more descriptive themes were elaborated in some detail as the statistics from the Rural Debt and Investment Surveys, as also NSS, Agricultural Censuses and the Simla Bureau of Labour Statistics started coming in, by M.L. Dantwala. Dantwala also to my knowledge gave the first description of what we later called ‘reverse tenancy’, namely that at least in some parts of the country, small farmers give back their land to middle farmers on a tenancy basis and move out as landless labourers. The controversy as to whether they are pushed out or pulled out still goes on. Dantwala also makes the point as earlier, that co-operatives in India have to be for focussed and limited tasks leaving the land to the peasant, a perspective which was to temper the radical pronouncements of the then ruling party under the influence of its socialist wing to which Dantwala himself belonged in sympathies given his association with Ashoka Mehta.

This period before what is called the Green Revolution sets as it were the knowledge base of Indian agricultural economics as we know it now. It was in some
sense the era of the founders who spoke of features and trends with loving care. It was a civilised era.

The term Green Revolution in India leads to two images. In the popular mind it is associated with a period in which India crossed the hump in terms of shortage of, and external dependence for, its grain and food requirements. The second more technical perception of the green revolution considers it as the productivity breakthrough emerging from the high yielding variety of seeds in food grains, particularly wheat and then rice. Agricultural growth discussions in India are set in the framework of the phenomenon loosely called the Green Revolution (for short description see Y.K. Alagh’s, 2012). These seeds initially imported from Mexico for wheat were adapted, replicated and developed by Indian scientists. On account of their photo insensitivity properties, they were shorter duration crops as compared to the earlier varieties and this property by itself led to more intensive use of land, in addition to water and nutrients. Technology and productivity improvement became the driving force in the green revolution areas.

In the Millennium studies on Indian agriculture sponsored by the ICAR, my invited Introductory volume shows the green revolution in India as spanning four time epochs (Alagh, 2004). The first phase of the introduction of the high yielding technology is attributed to the initiative of the political leader C. Subrahmaniam and the civil servant B. Sivaraman. In the second half of the mid-sixties, a “ship to mouth” phase of grain shortage and large grain imports as PL 480 aid from the USA took the risk of importing the dwarf varieties of wheat from the IWRI in Mexico and were assisted by M.S. Swaminathan and ICAR teams in replicating the seeds. The second was a phase in which the technology was internalised in what is called the favoured region, favoured crop period in the decade of the seventies. However in the early seventies there was still considerable pessimism on the growth potential of Indian agriculture. Meanwhile in the 1980s, in the third phase, Indian agriculture was growing faster and, as the economy picked up, non-food grains were leading. The growth rate accelerated in new crops, particularly rice, cotton, and oilseeds, and in new regions. The fourth phase continues but in the ISAE classification of the President’s Speeches that is the Liberalised Regime (Vol.3).

The first speech in the Green revolution volume is a business like address by my friend the Late V.N. Dandeker. Dandekar is both sarcastic of Plans from above and very business like on the required structure of agricultural plans. He believed in local planning and set it out in some detail and was contemptuous of Five Year Plans from above with no relation between targets and allocations and policies as also of Grow More Food campaigns of foreign origin. He was an early votary of what I was to later describe as Agro Climatic Planning, which we were to discuss in his house in Shivaji Park in Pune or in mine in Pandara Park in Delhi. In fact he got F. Wadia to write a piece on it, based on a description of the concept by me in one of the early volumes of the Journal he edited with Nilakantha Rath (V.N. Dandekar, F. Wadia, 1989). Planning was to be in soil and water regimes; an ayacut and so on, rather than the
‘hocus pocus which somehow seems so necessary to make a Five Year Plan’ (ISAE, 2016c, p.39). Regarding farmers he was to say in his characteristic manner ‘We think they are children. Its high time we realise that they are adults. If we do not, the danger is that the farmers may begin to treat us as children’ (Ibid., p.40). He then went into some detail on the need for education which was based on the agriculture of the region and a high school which taught all this, on a small farm. Tradition had to be transplanted by science relevant for the area. The farmer must treat his farm as a business and distinguish his mother from a cow, he said. He saw the role of a Statutory Authority to get all this done rather than a co-operative and an Agricultural Officer at that level. Dandekar is worth reading again.

S.C. Chaudhari was to lay down the contours of the requirements of the new needs and ask for the ICAR to get into the act. He contoured the Agro Economic Research Centres and wanted a top class Economics Institute in the ICAR (NCAEP!).

It was left to A.M. Khusro to lay out the contours of agriculture as a part of the economy at home and abroad and get back to the classics to delineate that role. He had by then produced his work on returns to scale in Indian agriculture but lay down his address in the framework of classical growth theory. The economy was agricultural and non-agricultural. He discussed output, employment, in that context and then demand, supply, including investible resources and prices in the dynamics of his story. Khusro Saheb truly integrated agricultural processes in India with Economics and is worth reading and teaching from, in that context. He also made a passionate plea to retain the positive features of the market even when his argument seems weak in some parts, given the rudimentary structure of markets he himself described.

V.M. Jakhade’s piece on agricultural growth and income distribution covered familiar ground in tenancy and land reform and was followed by a believer’s outline of the new technology by A.S. Kahlon, with an emphasis on the techno structure. He goes back to Malcolm Darling’s concern on the implications of technology on social relations. This was the time when P.V. Sukhatme was having his big debates with Dandekar on calorie’s and nutrition and I was to integrate the almost irreconcilable position in the Task Force I chaired on measuring poverty. In fact Sukhatme was very happy at the modified poverty Line in the Alagh Task force which still carries its impact through what is called the Official Poverty Line (OPL), long after I had warned that it is no longer relevant. (Alagh, 2010).

Raj Krishna and K.N. Raj in their speeches on unemployment in India are simply brilliant and set down I think for the first time the uses and differences between the different concepts of employment (time use as a flow and persons as a stock) and their relation with poverty in India. Raj in particular gets into the finer nuances of the institutions in which they are embedded in history and contemporary developments then. Raj Krishna gets back to theory in a complex problem, setting down an analytical structure which became the heritage of the profession, at home and abroad,
not only in agricultural and labour economics, but in growth theory (See, Alagh’s, Raj Krishna Memorial Lecture, Rajasthan University, 2010).

D.T. Lakdawala’s scepticism on direct taxation of agriculture is a forcefully argued case against this desirable policy on practical grounds ignoring the likes of Y.K. Alagh, P.K. Bardhan and Ved Gandhi who had built up the case for progressive taxation. B.S. Minhas and M.S. Swaminathan are as readable now as then. There is not much that is new, since then on food security (Minhas) or on agricultural technology and planning (Swaminathan). C.H. Shah has an encyclopaedic piece but specifically also builds up an argument that tastes have to be taken into account in PDS. I felt then that this was a no brainer because PDS supplants the market but Shah has had the last laugh on sceptics and his argument has stood the test of time. I suppose a little bit of mixed up thinking in a mixed economy is alright. We want both cheaper than the market and tasty to me food, contradictions logically because then why supplant the market.

Daroga Singh on imbalances in agricultural growth and D.K. Desai’s plea for improved management techniques in agricultural policies both show the ICAR and IIMs coming of age. Desai’s plea for using programming techniques, was very timely but in fact had not that many followers, in India although it was by then the standard stuff in textbooks abroad. S.S. Johl has an authoritative piece on the Green revolution technology a decade after as it were, and sets it up in the national growth context, to spur those who were getting stale.

The next two Presidents were off the beaten track. A.S. Sirohi bravely gets into the issue of subsidies not very popular with run of the mill agricultural economists like me because we tend to champion the sector. Nilakantha Rath gets into again the Terms of Trade issues that got very little attention after Khusro Saheb. G. Parthasarathy’s speech is an authoritative piece on rural poverty and so is A. Vaidyanathan’s much cited speech on Irrigation which gets attention very sparsely by agricultural economists in India. I.J. Singh’s speech was one of the more technical addresses getting into the important issue of agricultural instability and poverty; an issue still important in India for the monsoon does no longer determine India’s economy but does affect welfare of a large number of people. A more recent version of the context is there in P.S. George’s speech on food security in Vol.3.

C.H. Hanumantha Rao’s piece is in the classical mould with a very systematic description of agricultural technology also outside the Green Revolution area. D.S. Sidhu gets into agricultural marketing issues on both the input and output side.

The volume on the Liberalisation phase begins ironically with one of India’s scholar economist with deep convictions on the failures of the markets, V.M. Rao.Anyone who has read his work on Tumkur and his Millennium book on Rainfed Farming for the State of the Farmer Series will understand his commitment to the farmer’s cause. V.M. Rao was involved in the details of the farming experience in rural India. But he almost involuntarily and by habit as it were, also built the concepts for others to use. R.K. Patil has in an important speech outlined the dairying sector,
very important and equally ignored. It is strange that the food grains fetish of Indian agricultural economists continues even when the high income elasticity of demand parts are in animal husbandry, milk and its products, fish, meat and poultry and forests. Patil gives a lesson much needed to understand food inflation. V.N. Rajagopalan’s speech has an equally important discussion of a development strategy of subsistence farmers which gets deeply into the Agro Climatic Regional aspect which Rajagopalan deals with in detail beginning with the ARPU papers at the Sardar Patel Institute at Ahmedabad in which he helped us.

M.V. Nadkarni’s forests, people and economics is a forceful plea to bring in the fantastic biodiversity, a rich heritage that needs protection,’ (ISAE, 2016d) in the mainstream discussion. Narpat Jodha’s socio-economic careful assessments on the potentials of mountains at different altitude levels are as relevant as unknown in the mainstream. Together with Katar Singh and Dinesh Marothia’s speech, we get the fear that its possibly too late to ignore Nadkarni’s logically presented facts on sustainability of economic policies. He disabuses us of minor forest produce for example of being ‘minor’ (also see, World Bank, 1996).

S.S. Acharya’s discussion on inter-crop parity in agricultural pricing reiterates the 1982 APC report that this author wrote insisting that the APC would give one report for the season to get into price relatives rather than a crop at a time. Acharya gives a contemporary face to the arguments. He also brings in a discussion of the WTO and price policy. The question of tariff policies to modulate trade and its integration with price policy needs considerable attention (See Government of India, also Y.K. Alagh in Radhakrishna et al., 2006).

D.N. Jha’s speech gives the NCAEP perspective. Jha is in away a product of the founder Presidents who all wanted a top level economics institute in the ICAR. Jha was its (NCAEP) first Director and his brief speech is full of rich details of the low hanging fruits of technology and the need for long term perspectives. NATP and now ATMA are the vehicles and he brings in a contemporary focus on relating technology not only to field programmes but also policies including extension and trade regimes. B.M. Desai and G.K. Chadha both give us again a wide screen exposure to agricultural policies.

Sukhadeo Thorat makes an important contribution by giving poverty estimates by socio-economic groups like, Scheduled Tribes, Scheduled Castes and Muslims and by sub-periods; also showing that the reduction in inequality in rural India has been relatively limited. He further elaborates this analysis by different size classes of farmers and farm labourers. Thorat’s painstaking piece is a major contribution to the literature.

N.A. Majumdar traces agricultural policy from the so called Milton Friedman phase of the early nineties through the later period and discovering Mahatma Gandhi in Manrika (MNREGA).

Majumdar has written a thoughtful piece which has great relevance for agricultural policies particularly leading to social justice and upliftment of teeming
millions of rural poor. Karam Singh and P.K. Joshi again paint with a wide brush the larger food and agricultural development scenario and make us aware of recent trends. R.S. Deshpande has a fascinating ability to classify large, different historical experiences into manageable entities. He has prepared a very useful political economy chart of a Travelogue of the Indian state in the post-independence period in eight phases of agricultural policies (ISAE, 2016d, p. 893). He then gives a very detailed analysis of the facts according to these categories and also classifies States according to policy leads. His caustic comments on growth can best be stated in his language. “We have often analysed the situation through changes in rate of growth. There have been quite a few attempts earlier to understand the growth and development of Indian agriculture such as Dantwala (1991), Acharya and Chaudhury (2001); Alagh (1999); and Bhalla and Singh. (2001). All the analysts analysed the development of agricultural sector from the perspective of growth” (ibid., p.893). But “On the face of this picture, can we reflect on the all-pervasive agrarian distress and farmer suicides?” (Ibid., p.894). B.D. Dhawan’s Presidential Speech is as important as not well known. Dhawan has that understanding of water and land regimes without which irrigation studies are severely limited and yet his powerful arguments for canal irrigation have been muted in the discourse by the ideological position that canal irrigation is inferior to ground water exploitation. ‘While major irrigation has been scrutinised critically by big dam opponents for its numerous drawbacks the same spirit of critical scrutiny id altogether missing in respect of their portrayal of minor irrigation as an ideal alternative.’ (Ibid., p.316). Dhawan also puts together a lot of data at one place of a kind not normally seen in irrigation studies to buttress his economic analysis of the alternatives in arguments in a less researched but important area.

P.S. George sifts the different strands of the poverty and food security argument carefully setting down the problem and so “While the Indian Council of Medical Research has recommended a per capita norm of 386 gms of cereals (Radhakrishna, 1991), the Task Force of the Planning Commission(Government of India, 1979) has recommended…(515 gms per day) for the rural population for defining the poverty line. The NSS has been using a daily norm of 2700 calories per consumer unit…” (Ibid.,p.410). George carefully takes the reader through this maze which he must know if he wants to understand the quest on poverty norms Arvind Panagariya has announced as I, a self-confessed critic now of the Official Poverty Line the Task force I chaired in another era developed, write this.

C. Ramasamy has delivered a Presidential speech with a difference. He takes up technology and resource management questions and looks at trade options. So far he is giving an analytical structure to go from resources to trade. The interesting part of Ramasamy’s address is that it is not a Speech in the commonplace sense of the term but a detour into International economics and econometric analysis. He goes from technologies and resources to production functions and marginal productivity estimates all the time using Indian farm data. He gets into the empirics of poverty
studies and ends his analysis by trade options, in this case using offer curves. All the
time he is giving reasonably firm estimates of the needed propensities and elasticities.
His address is in fact a rich source for teaching agricultural economics in the context
of a globalising economy.

Kanchan Chopra is in a sense in the same mould. Her speech is set in the context
of descriptive detail in Indian agriculture on technology, resources and inputs like
seeds and water. But from there she goes to the globalised economic context and
domestic policies for that. So ‘On the supply side the constraints to agricultural
exports are well understood. Some degree of spatial specialisation may be necessary.
Changing cropping patterns in the 1990s already point out towards the arid and semi
arid parts of the country specialising in horticulture and dairying based exports (Ray,
1998) and Alagh (1999) suggest the following four phases that are required to build
up a supply chain for export oriented agriculture (i) the agro-climatic regional, state
and sub-regional strategies have now been operationalised at the district level. Plans
exist in a recent exercise from the Planning Commission (ii) The projects that have
been developed have high economic rates of return but need tying up at the level of
private investment in agro-processing and land development and rural credit
machinery both in the banking and co-operative sectors.(iii) a new farmer
agribusiness project; speeding up and (iv) Agro-Climatic region specific plans need
to be tied up with decentralisation introduced by the 73rd and 74th Constitutional
amendments) (Ibid., pp.612-613). By now it is quite clear that Indian economists are
trying hard to cope up with Dr. Manmohan Singh’s fast push towards globalising
India’s agriculture. The action lay elsewhere and Y.S.P. Thorat with his years of
experience in the RBI and NABARD sums it by distilling that the poor are bankable,
the poor organised in SHGs can partner mainstream banks, the poor can and do save,
programmes must help people to contribute on their own terms, building on existing
institutions and financial institutions can create an enabling environment rather than
creating new ones (Ibid., pp.628-280).

In this searching mode Abhijit Sen set up the agenda as it where. He squarely
faces the issue that the basic premise of the 1991 reform that curtailment of
protection to Indian industry would increase the growth of agriculture by removing
the anti agricultural bias did not happen. Roughly at this time I was arguing this same
point in my Dharam Narain Lecture, (Alagh, 2003 and 2006). Private investment in
Indian agriculture was increasing but public investment had fallen. In fact as I
showed a few years later as suggested by Sen, public investment also went up but
while investment levels went up to around 20 per cent of agricultural GDP there was
no big jump in the agricultural growth rate, This so called increase in the ICOR(?)
has puzzled Indian economists as Sen brings out very vividly. (In this context also see
Y.K. Alagh, review of this literature in 2016a). Sen suggests important pointers
which need to be a part of an ambitious research agenda. The weaknesses he suggests
include;

“(i) the unfinished agenda on land reforms;
(ii) continuing low value and uncertain production in the dry areas;
(iii) declining productivity of the ‘modern’ inputs in advanced areas;
(iv) degradation of the natural base of land and water; and
(v) inefficiencies in support systems, including research, extension and credit.” (Ibid., p. 643).

Sen ends up in asking the classical question of the best way of the movement of labour away from land as a part of the growth process.

Isher Ahluwalia asks the classical questions again. Why has the growth rate decelerated in agriculture? She sees plateauing of yields in the North Western high growth areas, technological stagnation, bad use of groundwater, the need for diversification in the cereal specialising areas, the need for better rural financial institutions and contract farming as areas of policy to explore. P. G. Chengappa gets into the role of secondary agriculture in terms of diversification into high value crops with high income elasticity of demand as the need of the times. This needs a demand drive in agricultural policy systems and technology, infrastructure and organisational support systems. In contrast to Isher Ahluwalia’s plea for contract farming, Chengappa is a votary of ‘Producer Companies’, a form of organisation emerging from the Second Amendment to the Companies act 2002, from a Committee I chaired. After some opposition by organised industry this is now a part of Section 8 of the new Companies Act.

CONCLUSION

The Presidents of the Indian Society of Agricultural Economics have engaged in a never ending quest to pose and answer the big questions facing Indian agriculture. To use Star Trek language they have gone where no man has gone before. It is quite interesting that recent Presidents have voiced or written within an undercurrent of anxiety on the future. Research is after all an endeavour to cope up with lack of analysed information or uncertainty. We can only wish future Presidents well in the interest of India, its farmers and its economists. As we say Satya Mev Jayate.

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