



POOREST OF THE POOR: PROBLEMS AND PROSPECTS OF RURAL PRODUCE IN ANDHRA PRADESH

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ABSTRACT Andhra Pradesh presents a unique case of poverty reduction, its performance between 1970 and 1988 being the highest among all the major states. This trend is not surprising for the 1970s, a period of rapid agricultural growth, but is perplexing for the latter part of the 1980s when growth had slackened.

KEYWORDS :

Agriculture is creating employment more than 60 percent directly and indirectly.

Agriculture is a backbone of our Indian economy. Generally agriculture produce is marketed through different channels. Among that commission agents are playing an important role. Farmers are cheated by those commission agents and they are not getting reasonable return. So, the study is focused on marketing practices of agricultural products.

Majority of the people are still living in the country of severe deprivation, lacking insufficient access to adequate basic facilities such as health and housing. Poverty and inadequate incomes create major problems like labour market fluctuations, violence and acute effects of natural disasters. In order to overcome the issues related to agriculture, people are now dealing with extreme conditions by adopting Poorest of the poor rural producing work. However, there are a few obstacles for the growth of rural Poorest of the poor rural produce economies such as raw materials supplies, infrastructure, technology and marketing techniques. It will be difficult to promote the rural Poorest of the poor rural produce activities without proper communication system. As a result, the share of workforce for agriculture declines even though the absolute level of agricultural output and employment continues to grow for some time. Overtime, the dependency and growth of the economy shifts from agriculture to industries and jobs.

The major factors influencing Poorest of the poor rural produce economy are:

Review of literature is necessary to understand the role of non-farm sector in the different aspects of economic development. Such an attempt is also useful to identify the existing research gap. The present exercise is not exhaustive in its coverage, but provides an insight into the remarkable studies on the area concerned.

Amitabu Kundu et al., (2010) in their study "Rural Non Farm Employment: An analysis of rural urban Interdependencies" have analysed the growth rates of non-farm employment by using NSS data. The employment situation in India during the year 2000 shows that there has been high growth in non-farm employment in rural areas.

Anu Saksena (2012) in his study "Women's Workers Textile Industry" examines that the patterns of women's employment in textile industry in both organized and unorganised sectors of India. The study has found that there was male female wage differential, gender-based division of labour and also the impact of affirmative action on the employment of women. In the textile mills of Mumbai, women formed a quarter of the work force in the 1850's, 22.9 per cent in the 1930's, 11.17 per cent in the 1950's and a mere 1.1 per cent in 2002.

Anupama (2014) in her study, "Globalization and Employment of Women workers in the Unorganized Manufacturing sector of India", explores that the extent of quality of women employment in the unorganized manufacturing sector of India during globalization. It is found that though the share of women in the total employment has

increased, the average wages and productivity in the sub sectors of the unorganized manufacturing sector has decreased. However, the share of wages and productivity is higher in female dominated occupations when compared to the male dominated ones.

Lanjauw and Abusaleh Shariff (2016) in their study, "Rural Non-farm Employment in India-Access, Income and Poverty Impact", analyzed that education improves prospects of finding non-farm employment and that with higher levels of education, the odds of employment in well-paid regular non-farm occupations rises.

Nidhi et al., (2017) identified the major marketing problems faced by the farmers are too many market intermediaries, defective scales and weighing systems, illiteracy, lack of transportation facilities, lack of storage facilities, lack of market intelligence, price fluctuations and problem of produce collection. They also stated importance of agricultural marketing which plays a vital role in the economic development. It is also important creation of various utilities like place, time and possession utility Dr. G. Sreenivasa Reddy in his study (2020)

India is the second large producer of agricultural product. Nearly 50 percent of population is directly and indirectly are involved as agricultural workers. Andhra Pradesh is the major producer of rice, jowar, bajra and maize etc.

POVERTY OF POOREST OF THE POOR RURAL PRODUCE SECTOR

Poverty is disproportionately concentrated in Poorest of the poor rural produce sector. But the government expenditure over the last few decades has been directed towards relatively affluent formal sector and the Poorest of the poor rural produce sector did not get the priority deserved. Economic Survey of India 2013-14 reported that the real agricultural growth rates in GDP at factor cost has become negative - 0.4 percent in 2013-14 compared to 1.5 per cent in 2003-04. The entire decade of 1990's has shown a stagnating growth performance in agriculture. The annual average growth rates recorded in agriculture and allied activities during the post reform period 1994-95 is 3.8 percent compared to 4.1 percent in the pre-reform period 1982-83 to 1993-94. This poor performance of agricultural sector has thrown more workers of Poorest of the poor rural produce sector in to the clutches of poverty. Apart from those who are poor, because they are unemployed, the people from the unorganized sector can be referred to as the "working poor".

Nearly one-third of the world hungry people reside in India. Even after substantial increase in food grains production since independence, India is still classified by the Food and Agriculture Organisation as a low income led food deficit country.

The underlying myth of development that it will remove all poverty for ever from all corners of the world has shattered. Even the one witnessed unprecedented prosperity during the last five decades, such as the US have not been able to exile either poverty or destitution from within their borders. Yet 20 percent of the citizens have more or less

stayed consistently below the poverty in the entire period of the American hyper prosperity.

The worst part of poverty can be found from the recent farmers suicides happening in our neighbouring states of Andhra Pradesh and Karnataka. Poverty, sometime, can push a man to take the extreme step of committing suicide. Employment generation on large scale alone could help India fight poverty and this cannot be achieved with job creation in the service sector because the growth rate of employment in the service sector does not correlate with the growth rate of the population. The service sector in the recent years was providing employment to a limited educated urban population only.

POOREST OF THE POOR RURAL PRODUCE SECTOR AND TRADE UNION

After globalization, the decline of unions is widely acknowledged. As the organized sector has shrunk, concomitantly the numerical strength as well as the bargaining leverage of unions has been eroded. After the new economic policy, the democratic parties in India have turned towards market oriented policies. The trade unions also have not been able to clearly redefine their ideological space in the context of the growing market economy. Alienation of trade union for political party has also taken place after the new economic policy. Most of the trade unionists would acknowledge that the enormous public cost of a large number of public sector firms need to be reversed.

The scope for the development of informal sector mostly lies in the bargaining power of the trade union. Once the trade union has been weakened, the Poorest of the poor rural produce sector is exposed more towards exploitation.

The poor and their organizations have cumulative savings exceeding US\$340 million and have leveraged more than US\$1.2 billion in credit from commercial banks since 2000. According to an independent evaluation by Center for Economic and Social Studies, Hyderabad, the average income has increased by 115% from US\$483 to US\$1041 per annum for project participants over the last five years as against 64% increase for non participants. A household is spending three times more on education of the family. There has been a reduction in indebtedness and vulnerability as well as distress migration.

Food insecurity is a major vulnerability faced by the rural poor and is an important goal when addressing rural poverty. In order to meet the shortfall, in income and consumption needs, households borrow from money-lenders and traders at very high interest rates, pushing them further into debt trap. Alternatively, the poor reduce the quantity of food consumed.

This model of food security is a market based one which offers food as a credit product rather than grant or aid. Food Security Line is a community managed credit and food distribution mechanism to address the food requirement of the rural poor. The Food Security Line provides a single window within a village for purchase of food grain, packing and distribution of food grains and recovery/ repayment of the outstanding credit, thus making it accessible for the poorest.

By the end of 2007, it is estimated that Food Security Line will be extended to 3 Million households across 12,000 villages and generate a business turnover in excess of one million metric ton equivalent of rice or \$ 300 Million for the village organizations.

Self-help Groups and Village Organizations operate 1600 procurement centers trading in 81 commodities worth over US\$100 million annually. These centers provide a medium to aggregate, value-add, and supply to partners at a fair price, offering a profit table business model as well as an enhanced price for erstwhile dispersed producers. Partners include large cooperatives such as APMARKFED, agribusiness multinationals like ITC, Ltd. and export houses like Olam International. These linkages have enabled enhanced prices by 30% for small and marginal farmers. In addition, these centers make the millions of individual economic activities viable and sustainable.

Skills and a robust institutional structure provide an optimal environment for innovations to thrive. The program is constantly facilitating and scaling up organically evolved innovations. One of the most recent ones is that community organizations are now acting as banking correspondents and business facilitators are using smart cards to pay beneficiaries of National Rural Employment Guarantee Scheme (NREGS) and other public social protection schemes.

The program has linked over 45,000 youth from poor households to

jobs in the private sector through a market based training program. Youth have found placement in the construction, textile and service industry. They are now providing sustained livelihood support to their families.

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