SUMMARIES OF GROUP DISCUSSION

Subject II

Urbanisation and Its Impact on Farm Sector

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Twenty-six research papers were submitted by the scholars out of which, four papers were accepted in full length and seven in summary form. The discussion was organised into three main major sub themes, viz., urbanisation and its rural linkages, migration, and special economic zones.

1. Urbanisation and Its Rural Linkage

Papers relating to urbanisation and rural linkages highlighted that urbanisation affects manufacturing activities, reduces poverty, changes lifestyles and consumption habits. It also influences agricultural diversification through production of diversified agricultural commodities. Considerable number of authors has shown how urbanisation has been impacting the living standards, employment and income levels both in urban and rural areas.

Urbanisation has been directly impacting rural land use. Though there are no micro level observations on how different land uses have changed over time at the micro level, it is logical that there has been direct impact on the cultivable land. But since land productivity and crop diversification have been a continuous process, there has been less than desired impact on the decline in principal crops. However, in the long run agricultural production is likely to undergo changes, as more and more lands are earmarked for urban development.

Views were expressed that instead of worrying about the size of metropolises, cities and towns, there is a need to worry about making sure these places work well. The group also called for infrastructure development and reduction in transport costs because distance was a challenge and the problem was compounded by concentration of poor people in rural areas.

During the deliberations the following researchable issues related to urbanisation and its impact on rural economy emerged.

- Migration around metros is different from migration around other cities.
- Land price appreciation and use of realised value after the disposal of land for example increases the spending habits, investment alternatives, etc.

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- Employment pattern of rising non-agricultural workforce in peri-urban areas.
- Diversion of land for non-agricultural purpose and its potential impact on food security.

The necessary government policy focus should to be provide ‘Providing Urban-amenities in Rural Areas’ (PURA) to check the urban migration and provide off-farm or/and non-farm employment in rural areas. Further, a holistic view to understand the impact of urban growth on agricultural and non-agricultural sector will have to be undertaken. With increasing urbanisation and its strong impact on the hinterlands, the classical definition of “urban” areas, as defined by the Registrar General of India, will have to regularly factored in emerging dynamics of urban growth beyond the limits of urban areas.

2. Migration

Papers relating to migration revealed that migration takes place either due to economic distress or due to under-development. Migration leads to development of both the place of origin and destination over time. Initially, the productivity of migrant labourers seems to be relatively high as they are considered to be hard working. Skills requirement of migrants differ over space, i.e. between districts or states or countries. While migration of skilled workers are for higher order employment options, it is the unskilled and daily labourer category of employment seekers that are usually large in number affecting urban service providers and causing urban chaos. However, migration also creates tension between local and non-local people.

It is important to recognise that migration is an irreversible process. Concern here is to up to what level a city or town could absorb migratory employment. The higher is the influx of population; greater is the civic pressure, if urban infrastructure cannot live up to the requirement. Hence, the mismatch between provision of civic services and infrastructure support with that of demand has always been a point of debate affecting quality of life. Therefore, “optimum migration” is a socially desirable concept, which however is rarely adhered to due to lack of employment opportunities in the rural areas.

The group welcomed and encouraged the process of migration on the grounds that globally as well nationally people move in order to improve their prospects in life. It was pointed out that about 30 million people had moved from the lagging States of Bihar and Uttar Pradesh to leading states such as Maharashtra and Punjab in the second half of 1990. Recent oppositions in Maharashtra and Andhra Pradesh to such migration are short-term constraints. But, protectionist tendencies could seriously jeopardise both the economic recovery and long term progress.

The session contended that markets favoured some places over others and countering the tendency would amount to fighting prosperity. The need was felt from
the government to facilitate such geographic concentration and initiate policies to provide for basic needs such as schools, security, street and sanitation. If they do this well, their development will still be inclusive albeit unbalanced.

The major research issues emerged are as follows.

- Role of real estate builders/contractors in migration,
- Post migration effect on their families and their native places,
- Capital flow from rural to urban and its implications,
- Changing land ownership from richer classes to other classes.

3. *Special Economic Zones (SEZ)*

The SEZ promoted exports, investment from domestic and foreign sources, generated employment and necessitates creation of infrastructure. But studies found that they are yet to impact employment and investment and exports to any measurable proportion compared to national averages.

Therefore, it is necessary to study issues relating to buying of fertile agricultural lands for development of SEZ and its implications for food security and provision of water and environmental impact of release of untreated effluents affecting public health. It is also important to study the basis of fixing of land prices, investment subsidies, input subsidies and operation of black market. Meanwhile, Government may initiate the process of fixing of land prices by private-public bargaining through appropriate policy mechanism. Further, rather than outright buying of land from farmers, land may leased in for such developmental purposes.