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## **Rapporteur's Report on Urbanisation and Farm Production**

**Rapporteur: T.N. Datta\***

### **BASIC CONSIDERATIONS**

Urbanisation is a process through which more and more people migrate to towns and cities, which are characterised by distinct changes in occupation and income, access to infrastructure, housing and other amenities. Often, it is linked with economic prosperity and growth of a region. The transition from a pastoral to urban life style necessitates sectoral transformation in employment, with focus on industrial and service sectors gaining prominence and agriculture employment, by default, continues to be less significant.

India shares most of the characteristic features of urbanisation in the developing countries. Urban population has been rising at a faster rate than total population. During the last five decades India's population tripled while urban population grew nearly 5 times. Urbanisation has been recognised as an important component of economic growth and the trend is irreversible.

The theory of urbanisation suggests that the developed countries have reached the final stage of urbanisation (>75 per cent), while the developing world is still considered to be in the initial stage of urbanisation and therefore it would be a long way for the developing countries to reach the final stage of urbanisation. Regardless of the stage that India is yet to achieve, what is important is that urbanisation would have a profound impact on agricultural production.

Against this background the initiative of the Society to select a contemporary theme was timely and is expected to ignite thoughts and research horizons associated with different facets of urbanisation and farm production.

### *Papers Presented*

In all 26 papers have been considered for discussion in the conference. These papers have largely concentrated on three sub-themes - Trends and Growth of Urbanisation, Employment and Migration and Linkage of Urbanisation and Farm Production. There are however some papers related to specific land use changes and Special Economic Zone (SEZ) which have been dealt with separately. Some papers could not be combined with the above themes, but had relevance and therefore are considered.

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While some papers have had a broader national perspective wherein new issues are covered and linkages established, some have attempted to validate broader issues from a localised or regional point of view. Nonetheless, the combination of national and regional focii makes the subject interesting, educative with great deal of take away messages for further research.

#### SALIENT POINTS EMERGING FROM THE PRESENTED PAPERS

##### *Trends in Urbanisation*

D. Bardhan *et al.* in their paper have analysed some revealing characteristics of urbanisation: growth in Class I and Class 2 towns, increase in population in million plus cities, decline in poverty ratio both in rural and urban areas and higher growth in per capita income.

In the paper by J.S. Chawla it is shown that the land use has also been influenced by urbanisation with non-agricultural uses of land registering highest growth rate. Growth in urbanisation has been lop sided – evidence from Punjab suggests that Class 1 and Class 2 towns account for more than three-fourths of total urban population. Rise in manufacturing activities, growth in educational, health and trade and commerce in the bigger cities exert urban pull for rise in population.

##### *Migration*

K.N.S. Banafar *et al.* in their paper on the migration study of Kalahandi district highlights that limited employment opportunities, mono crop agriculture, tiny agricultural holding and higher wages at the place of migration are principal reasons for out migration. In the papers by Parshuram Samal and Sushil Pandey; M.R. Chandrakar and Hemant Kumar; M.B. Belavatagi and D.C. Math, the male worker gets employment for half of the years which forces them to migrate in search of employment. Those going in for out migration remit higher amounts to their place of origin compared to those who shift to other employment within the state. Migration also reduces poverty through higher income earnings.

The migration study of Tezpur town by R.N. Barman and R. Das confirms the phenomenon of job induced migration in service and construction activities. Another dimension has been captured through the analysis of profile of in-migrant population of Ludhiana and Patiala districts by S.S. Chahal and Poonam Kataria wherein primary focus of migration continues to be on agricultural activities. The secondary and tertiary movements of migration relates to migrants taking up factory jobs, job opportunities in brick kiln. Obviously, wage rate tends to be higher when somebody graduates from primary to secondary migration and then to tertiary migration.

## URBANISATION AND AGRICULTURE

That urbanisation influences agricultural diversification through production of high valued agricultural commodities is well documented in the paper by Parthasarathy Rao and P.K. Joshi. These are demand centric changes in the production profile of commodity basket. The perishable commodities largely have production localization around urban and urban surrounded districts while other agricultural commodities are procured from distant locations. In addition, well developed infrastructure in urban areas encourages farmers to diversify towards high value perishable food commodities.

The impact of urbanisation on the peripheral locations of the large cities has been articulated through a case of Delhi by Chinmoyee Mallik. Agriculture in the fringes faces competition from high return non-agricultural uses, influencing changes in the livelihoods of the peripheral people. Globalisation has accentuated land use, livelihood transformation and transnational investments favouring locations around the periphery of the main city.

From a village study of Kangra district of Himachal Pradesh analysed by Virender Kumar *et al.*, the diversion of agricultural land into non-agricultural uses has been established. Sandeep Kaur and Paramjit Nanda in their paper on the analysis of empirical data of the districts of Punjab suggests that one of the associated effects of growth in urbanisation is the decline in arable causing potential challenge to food security.

In Maharashtra, which ranks second only to Tamil Nadu in urbanisation index, the primary driver for growth of agricultural commodities has emanated from urban centers. The low value coarse cereals make way for high value horticulture and livestock products. Consequently, there is a greater space for adequate transportation and communication and post harvest activities to compliment changes is highlighted in the paper by Jayanti Kajale and Sangeeta Shroff. In the paper by R.K. Panda on Orissa, regions having high urban population density show higher area under food grains and vice- versa. Agro industrialisation and exports of value added products promote rural and urban linkages and therefore the policy of promoting agro industries would enhance interactions and linkages between rural-urban areas is suggested by R.R. Kushwaha.

The paper by R.P. Singh and Jaiprakash show some micro evidence in growth rate of cattle, buffalo, goat, sheep and pig population in the urban areas against rural areas also lend some credence to the hypothesis of induced effect of urbanisation, though the authors did not explain the reasons for higher growth. In the paper by S.P. Saraswat *et al.*, changes are also noticed in Himachal Pradesh in the areas of diversified agricultural crops, enhancing incomes of the farmers and a tendency of absentee landlordism as the comfort level rises. Changes around Delhi metropolitan area in respect of crop production, vegetable and horticulture production also supports the hypothesis of induced urbanisation and agricultural changes in the paper by Mahendra Singh and Puran Chand.

Sushila Kaul has indicated that urbanisation and out migration have an inverse relationship. Further, the impact of urbanisation and migration on agricultural production has been favourable, reducing poverty and improving the quality of lives of rural people.

### *Land Use*

The paper by S.S. Kalamkar show that with rapid urbanisation from rural to urban areas, there have been significant changes in land utilisation. Land claimed for urbanisation is increasing though it has little effect on total crop production. The demand for high value commodities has increased consequent upon increase in urbanisation and growth in incomes. The projected urban population of 35 per cent by 2020 will fuel demand for high value agricultural commodities. Concerns relating to environmental degradation, loss of lands for non- agricultural uses and industrial growth can be addressed through a perspective plan for land use planning.

### *Partnership*

K.K. Datta and Uttam Bhattacharya have put forward a theoretical framework of globalisation, urbanisation and impact on some sub-sectors in the rural economy. The trickledown theory of growth as they propound suggests that rural areas also tend to benefit from forward as also backward linkages with the urban areas. According to them, the rural urban partnership provides a comprehensive framework for action on food security and enhances role of cities and local authorities as drivers of change. Clearly, a transformation is taking place in both rural and urban areas; however the pace of such transformation is higher in the urban areas.

### *Consumption*

Ramesh Chand *et al.*, have articulated the role of agriculture and rural non- farm and non-agricultural activities from the perspective of changes in economic development as also changes in sectoral contribution of agriculture to gross domestic product (GDP). The linkage effect of agriculture on rural non- farm sector and non-agricultural sector diluted considerably after the early 1990s with sharp drop in agriculture's share in GDP. Importantly, household consumption pattern in the urban areas has undergone changes during post-1990s and it is this change in the consumption basket that drives parallel changes in the rural non-farm employment finally influencing growth in agricultural incomes. Numerically, 10 per cent growth in urban consumption influences 4.6 per cent growth in agricultural income and 4.9 per cent growth in non-farm employment.

### *Special Economic Zone (SEZ)*

In the paper on Special Economic Zone by Deepak Shah, the SEZ policy aims at promoting exports of goods and services, investment from domestic and foreign sources, generation of employment opportunities and creation of infrastructure. There are however no strategies to counter long term socio economic consequences of the policy.

There are some issues relating to conversion of fertile agricultural lands for non-agricultural uses, food security and provision of water and release of untreated effluents affecting public health. The excessive use of water within SEZ could impact water availability in the surrounding areas affecting crop production. A rational policy for SEZ should factor in issues relating to food security, natural resources and environmental impact.

The controversy over acquisition of arable lands for SEZ on industrial parks is difficult to douse as there are merits and demerits in both sides of arguments. The plausible way to overcome could be government preparing an inventory of unutilised land to be earmarked for possible acquiring and identifying areas where cheaper lands are available is identified in the paper by Anjali Mehra and P.S. Raikhy.

Speedy urbanisation and implementation of SEZ in the surrounding areas of Bangalore has led to diversion of land and labour for non- agricultural uses, changes in climate, pressure on availability of water in the paper by P. Kumarasen *et al.*

### SUMMARY

Given the fact that urbanisation is an irreversible process, there are myriad ways through which agricultural sector and farm production activities are impacted. Relatively large number of authors has come out with numerous evidences wherein land use characteristics have been altered. Agricultural lands have made way for non-agricultural uses.

The increased demand for food commodities consequent upon increase in urbanisation and economic development offers direct challenge for farm sector to respond. Normally, high value agricultural commodities, livestock products, particularly those perishable in nature, tend to concentrate production around the negotiable periphery of the urban centres.

The authors have established that the effect of urbanisation has caused a structural shift in employment around the periphery, emergence of non-farm employment and livelihood diversities are also some of the obvious changes. Some authors have also concluded that the shift in employment in the agricultural sector is rather subtle. It is rural non-farm jobs that get influenced.

The discussions on urbanisation and migration have revolved around income changes among the migrant population, hierarchy of employment gradation from primary to tertiary segment, poverty impact, lack of employment opportunities in the backward of the migratory population and possible effect of employment guarantee

programme through NREGA etc. However, much finer issues relating to how agriculture would get impacted at the point of origin of migratory people and how dearth of able bodied workers could influence agriculture and allied sectors have not been highlighted. One of the possible impacts could be if the male work force desert their homeland for migratory employment, it would be interesting to understand what sub-activities of the farm sector will get impacted and how the remaining people at the home land would adapt to different livelihood opportunities particularly livestock keeping, dairy farming or household industries, etc.

Some counter factual views are expressed through shortage of food grain production, food security, but in the absence of any clear data their apprehension could not be taken to logical conclusions. The point however remains as to how far and to what extent loss of agricultural lands could have a macro impact on food production. There are no review or reference of what could possibly be short term impact as also long term impact of increased urbanisation on farm production.

The production of perishable commodities (milk, fish etc.) need not always to be urban-centric for the fact that given well orchestrated procurement mechanism backed by cold chain and logistics, the far away production could be linked with the consumption centres. This has been adequately demonstrated by the milk collection operations managed under the Operation Flood Programme and implemented by the milk co-operatives.

The essence therefore is what infrastructural support as also cold chain and processing set up could be created to link up far away production centres to the urban markets. Under this system, urbanisation acts as a catalyst to enhance farm production both in short as well as in long term.

#### ISSUES FOR FURTHER DISCUSSION

1. Land use policy with reference to acquisition of agricultural land and impact on farm production and livelihood security of the land owners.
2. Development of small and medium sized towns to counter concentration of growth in million plus cities and also stimulating agricultural demand in a decentralised manner.
3. Developing procurement and processing and basic infrastructure in the areas away from urban influence and integrating them with the market
4. Documenting short and long term impact on farm production as a result of increased urbanisation.
5. Creating enabling environment for developing rural non-farm activities.
6. Understanding farm adaptation mechanism of the elderly people, women and others at their homelands consequent on the migration of the working male population to distant places.