



Agriculture and Employment: Impact and Trends in India

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Abstract

Agriculture is the backbone of Indian economy. The Agriculture sector has played significance role in providing employment to a significant portion of the total population of India. However, the role of agriculture in the Indian economy and its impact on employment has undergone significant changes over the years due to factors like industrialization, urbanization, and government policies. This shift has led to new trends in agricultural employment, challenges, and opportunities. This paper try to examine the impact and trends of agriculture on employment in India.

Keywords: Agriculture, Employment, Growth, Development and Economy.

Introduction

India's economy has long been dependent on agriculture, with a significant portion of its population engaged in agricultural activities. The share of agriculture in national income is often taken as an indicator of economic growth and development. Normally developed countries are less dependent on agriculture as compared to underdeveloped countries. In the country like USA and UK only 2 Percent of GDP is derive from agriculture sector but underdeveloped country like India has around contributes around 18% of GDP. In 1951 around 69% of the working population was engaged in agriculture sector. Agriculture remains essential for food security, rural development, and the overall socio-economic development of India, especially in rural areas. This sector's contribution fluctuates based on various factors such as monsoon patterns, government policies, global commodity prices, and technological advancements in agriculture. The Agriculture sector has played significance role in providing employment to a significant portion of the total population of India. However, the role of agriculture in the Indian economy and its impact on employment has undergone significant changes over the years due to factors like industrialization, urbanization, and government policies. The Indian agriculture and allied sector provides livelihood around 42.3% of the total population and has a share of 18.2% in the county's GDP at current prices.



Objectives of the Study:

- ❖ To analyze the impact of Agriculture Sector on Employability.
- ❖ To analyze the trends in Agriculture sector.

Methodology:

The present study is based on secondary data. Secondary data that would be collected with the help of appropriate and relevant information. Handbook of Indian Government for the period 1950 to 2024, Reports and Budget documents, different website, Articles and Research Papers published in National and International Journals like Journal of Public Choice, Journal of Development, Journal of Political Economy, Journal of Economic Studies, Economic and Political Weekly are to be referred authenticate the propositions.

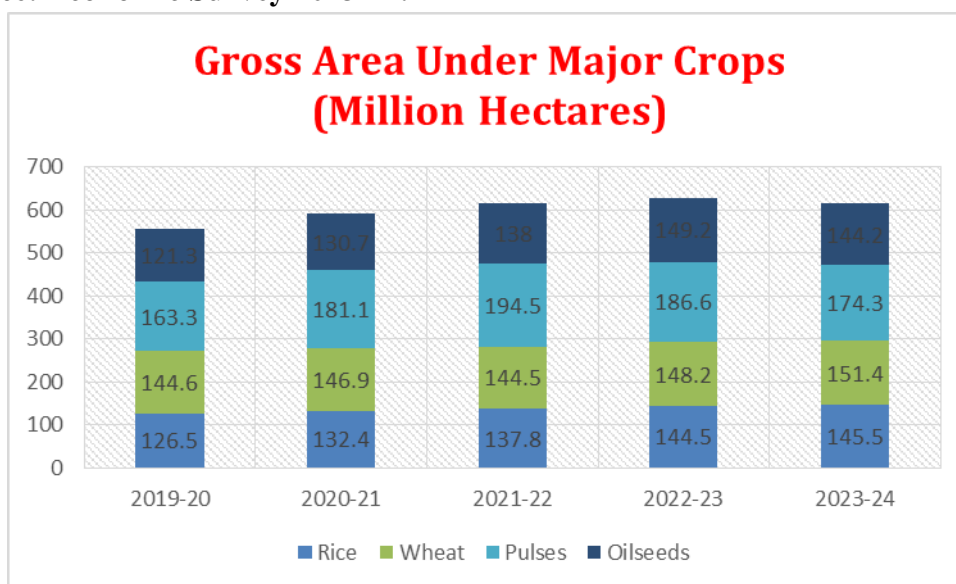
Trends In Agriculture Sector

Agriculture Production & Productivity: Productivity in agriculture refers to the quantity of output per hectare or per labour. The area under cultivation has increased. The following table shows appreciable increase in productivity between 1960 and 2024.

Gross Area Under Major Crops (Million Hectares)

Crop	2019-20	2020-21	2021-22	2022-23	2023-24
Rice	126.5	132.4	137.8	144.5	145.5
Wheat	144.6	146.9	144.5	148.2	151.4
Pulses	163.3	181.1	194.5	186.6	174.3
Oilseeds	121.3	130.7	138	149.2	144.2
Total	555.7	591.1	606.9	628.5	615.4

Source: Economic Survey 2023-24.





Increase in Food grains Production: Agriculture Production refers to the total output of rice, wheat, pulses, oil, seeds, sugarcane, cotton, jute etc. The adoption of HYV technology the production of food grains increased considerably in the country. The total production increased from 82 million tons in 1960-61 to 209.8 million tons in 1999-2000 and its further increase 264.4 million tons in 2013-14. The total production increases more than 3 times since 1960. The following table shows the start of production before and after the globalization in the agriculture sector.

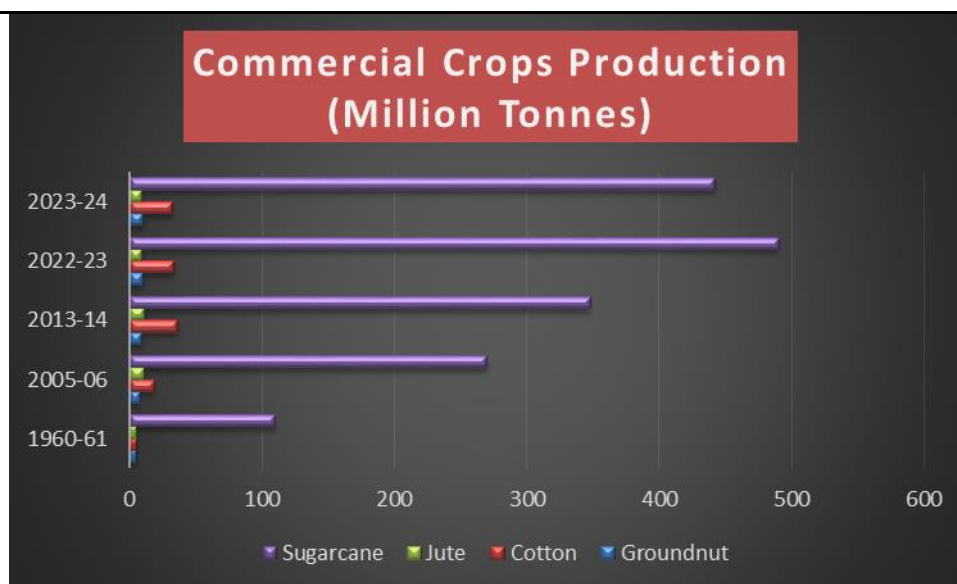
Food grains Production (Million Tonnes)					
	Year				
Items	1960-61	1999-2000	2021-22	2022-23	2023-24
Rice	34.6	89.7	130.3	135.8	136.7
Wheat	11.0	76.4	106.8	110.6	112.9
Cereals	23.7	30.3	288.0	303.6	304.4
Pulses	12.7	13.4	27.7	26.1	24.5
Total	82.0	209.8	552.8	576.1	578.5

Source: Economic Survey 2023-24

Increase in Commercial Crops: Commercial crops include Groundnut, Cotton, Jute, and Sugarcane. These items are part of the daily consumption. The trend in production of commercial crops has increased after the globalization. All the items in commercial crops have shown progress in their total output. Commercial crop production has increased by more than 300 percent after globalization. The following table shows that the stat of commercial crop production before and after the globalization in agriculture sector.

Commercial Crops Production (Million Tonnes)					
	Year				
Item	1960-61	2005-06	2013-14	2022-23	2023-24
Groundnut	4.8	8.0	9.5	10.29	10.3
Cotton	5.6	18.5	36.5	33.66	32.5
Jute	5.3	10.8	11.4	9.39	9.3
Sugarcane	110.0	270.0	348.0	490.53	442.5
Total	125.7	307.3	405.4	543.87	494.6

Source: Economic Survey 2023-24.



Agriculture & Allied Activities: Agriculture and allied activities include a wide variety of practices that contribute not only to food production but also to overall economic development, rural livelihoods, and environmental sustainability. Crop Production: Growing food crops such as cereals (wheat, rice, maize), pulses, vegetables, fruits, and cash crops like cotton, sugarcane, tea, and coffee. Horticulture: This includes the cultivation of fruits, vegetables, and flowers, as well as landscape gardening and nursery production. Livestock Farming: Rearing animals such as cattle, sheep, goats, pigs, and poultry for milk, meat, eggs, and wool. Aquaculture: The farming of aquatic organisms like fish, shellfish, and seaweed.

The care, breeding, and management of livestock animals for milk, meat, wool, and other products.

Dairying: The production of milk and dairy products, including butter, cheese, and yogurt.

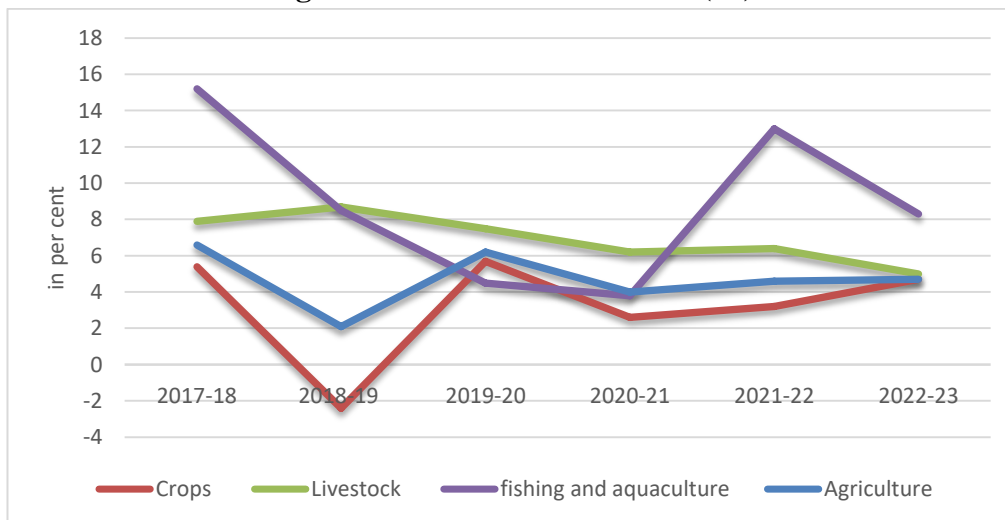
Fisheries: The harvesting of fish and aquatic organisms from both freshwater and marine environments. Forestry: The management and conservation of forests, which provide timber, fuelwood, medicinal plants, and non-timber products.

Agriculture & Allied Activities (%)

Years	Agriculture	Crops	Livestock	fishing and aquaculture
2017-18	6.6	5.4	7.9	15.2
2018-19	2.1	-2.4	8.7	8.5
2019-20	6.2	5.7	7.5	4.5
2020-21	4	2.6	6.2	3.8
2021-22	4.6	3.2	6.4	13
2022-23	4.7	4.7	5	8.3

Source: Economic Survey 2023-24

Agriculture & Allied Activities (%)



Share in Country's GDP

Agriculture and allied sector have substantial part in India's national income since 1950-51. And this sector contributes a major share in country's GDP. The contribution of agriculture and allied sector has been decreasing because of share of services sector has been increase in the period 1960-61 to 2011-12. But in recent year the share of agriculture sector has increased. This can be observed from following tables.

Year	GDP (In Rs. Cr) at 2004-05 Prices	Agriculture & Allied Sector (In Rs. Cr) at 2004-05 Prices	%
1950-51	2,86,147	1,47,216	51.45
1960-61	4,10,279	1,95,482	47.65
2001-02	24,72,052	5,54,157	22.42
2011-12	52,43,582	7,39,495	14.10
2016-17	1,37,50,786	23,82,289	17.32
2022-23	1,60,71,000	72,90,000	18.42

Source: statistics times GDP (In Rs. Cr. at Current Prices, 2022-23)

Employment in Agriculture Sector

Indian Agriculture sector has been playing an important role in the employment creation in the economy. India's large no of population working force are employed in agriculture and allied sectors. The positive impact of globalization on agriculture and allied industries has created employment in sectors like exporting, packing, processing, transportation, and storage. The agro industries depending on agriculture are stored and it made an increase in employment. Agriculture provides around 52.1% employment. And it is biggest unorganized sector of the Indian economy. The Agriculture sector employs nearly half of the workforce in the country. However it contributes to 17.5 % of the GDP in 2015-16. Agriculture sector contribution has



decreased from more than 50% of GDP in the 1950s to 15.4% in 2015-16. The following figure shows the number of people employed the agriculture sector in India from financial year 2017 to 2024.



Source: Ministry of Statistics & Program Implementation of India.

Impact of Agriculture on Employment in India

Agriculture is the backbone of Indian economy. The Agriculture sector has played significance role in providing employment to a significant portion of the total population of India. However, the role of agriculture in the Indian economy and its impact on employment has undergone significant changes over the years due to factors like industrialization, urbanization, and government policies.

High Dependency on Agriculture and Allied Sectors: Indian Economy divided into three sectors such that Agriculture, Services and Industry sector. Agriculture sector is a major source of employment in India, employing around 42-45% of the workforce directly (according to the 2011 Census and various reports by the Ministry of Agriculture).Despite its importance in employment, its contribution to GDP has decreased over the years.

Seasonal Employment: Indian Agricultural employment tends to be seasonal, this seasonality can create instability in income for farmers and agricultural workers. Many workers in rural India rely on agriculture as a means of subsistence, often working as casual laborers, seasonal workers, or landless agricultural laborers.

Lower Income: India has a large number of small and marginal farmers. A significant proportion of agricultural workers own less than two hectares of land, making them vulnerable to economic shocks, climate change, and inadequate access to capital and technology. It's leading to lower productivity and income of an employer.

Declining Share of Agriculture: Over the last few decades, there has been decline in the share of agriculture in total employment. As the economy has grown, industrial and service sectors have engaged a larger share of the labor force. Urbanization, industrialization, and migration to



cities for better opportunities in the non-farm sector have reduced the dependence on agriculture.

Agriculture Diversification: There has been a trend toward agricultural diversification. Farmers are increasingly shifting to high-value crops, such as fruits, vegetables, and horticulture, as well as other allied activities like poultry farming, dairy, and fishery.

The growth of agribusiness, agro-processing, and organic farming has created new employment opportunities, both in rural and urban areas. These sectors require a workforce with a diverse skill set, ranging from marketing and logistics to food processing and supply chain management.

Agricultural Mechanization: Mechanization is transforming the agricultural sector. The use of tractors, harvesters, and other machinery has increased productivity and reduced the demand for manual labor. While this has improved efficiency and reduced labor costs, it has also led to a decline in agricultural employment, especially for unskilled laborers. However, mechanization has also created employment in related industries such as manufacturing, maintenance, and repair of machinery, leading to a shift in the nature of agricultural employment.

Technological Advancements: The introduction of new agricultural technologies, such as precision farming, drip irrigation, and biotechnology, has the potential to increase productivity and reduce the reliance on labor. These technologies require skilled workers, creating demand for agricultural engineers, data analysts, and professionals in the agro-tech sector. However, the adoption of technology also brings challenges such as digital illiteracy, limited access to technology in remote areas, and unequal access to benefits, particularly for small farmers.

Migration: A significant trend has been the migration of rural labor to urban areas. This shift has contributed to a reduction in agricultural labor, as people seek better employment opportunities in non-farm sectors like construction, services, and manufacturing. Migration is especially common among young people, who prefer higher-paying jobs in cities over the uncertainties of agricultural work.

Conclusion

India is among the top producers of several crops like wheat, rice, pulses, sugarcane and cotton. It is the highest producer of rice and second highest producer of wheat in 2024. India contributed 25% to the world's pulses production which is highest any one country. In the current scenario all countries accept globalization. And under it all countries get the same opportunities to develop their international relations and trade. Agriculture sector has played key role in the Indian economy. After the adoption of globalization in July 1991 Indian agriculture growth rate increase. India ranks second globally in agriculture production at \$367 billion. But at the current period the economic condition of the farmers is not satisfactory because of government policy and uncertain monsoons condition. Therefore, ultimate success



of globalization can only be realized when it helps achieve all the parameters and policies of agriculture development.

According to the Economic Survey the agriculture sector in the country grew by 3% in 2021-22, lower than an average growth of 4.6% in the last six years. In 2020-21, the growth in this sector was 3.3%. In 2016-17, the growth rate was 6.8%, followed by 6.6% in 2017-18, 2.1% in 2018-19 and 5.5% in 2019-20. In 2024, the agriculture sector in India employed almost 150 million people. This is a slight increase from the previous year, when the agriculture sector employed 45.5% of the workforce.

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