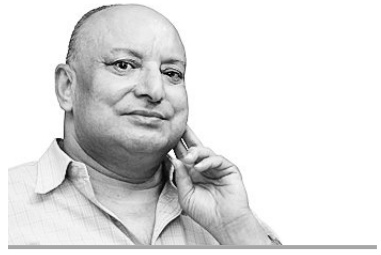


Engaging youth in agriculture

They are more energetic, productive and receptive to new ideas and advanced technologies



FARM VIEW

SURINDER SUD

Agging may not be a serious menace for India as yet, but the same cannot be said about its farm sector. Hardly 5 per cent of the youth are engaged in agriculture though over 60 per cent of the rural people derive their livelihood fully or partly from farming

and its related activities. Clearly, the modern youth are disenchanted with agriculture and are shunning it as a profession. The farming population is, consequently, getting old. It bodes ill for the future of agriculture as it may hold it from growing to its full potential.

The involvement of youth in agriculture is vital as they are more energetic, productive and receptive to new ideas and advanced technologies. Besides, they have the guts to take risks and go against the tide which is badly needed in the farm sector. Agriculture requires both brawn and brain in addition to enthusiasm and enterprise which only youth can provide.

However, like their urban counterparts, the rural youth are also looking for better career and growth prospects which they do not foresee in rural areas. The failure of development programmes and policies to make farming

profitable and adequately improve the quality of life in the rural belt has added to the youth's aversion to agriculture and village life. The other causes for the outmigration of youth are: Shrinking land holdings; paucity of innovative ideas and technical knowhow; inadequate access to finance; absence of efficient marketing; limited involvement in decision-making processes and policy matters; and, most importantly, poor image of farming as a profession. These issues need to be addressed urgently and holistically to motivate the youth to stay back in villages.

The realisation of the need to sustain youth's interest in agriculture has come about rather late. The National Commission on Farmers, headed by noted farm expert M S Swaminathan, had made a case for it in its report in 2006. This had led to the inclusion of this issue in the National Policy for Farmers,

adopted by Parliament in 2007, as one of its objectives. Some concrete initiatives have, no doubt, ensued since then, but these have remained confined to limited areas only. The unique programme of the Indian Council of Agricultural Research called ARYA (Attracting and Retaining Youth in Agriculture), launched in 2015-16, has also been limited till now to 25 districts in as many states. Only recently has the Union cabinet approved its extension to 100 districts to impart vocational training to about 1.4 million youth annually.

To steer these programmes in the right direction, a road map has recently been formulated in a conference in New Delhi on "motivating and attracting youth in agriculture" (MAYA). This was organised jointly by several national and international bodies engaged in promoting knowledge-based agriculture. The mooted strategy aims basically at preparing the youth to become employment providers and agents of change rather than employment seekers, maintains R S Paroda, chairman of the Trust for Advancement of Agricultural Sciences, one of the leading organisers of this event.

The MAYA road map envisages offer-

ing the youth a variety of avenues and opportunities for economic growth, social respect and application of modern technologies in farming and allied activities. With suitable grooming, the educated rural youth can be involved in services like agri-clinics to advise farmers on controlling crop diseases, pests and weeds and solving their other day-to-day problems. They can set up agri-service centres to offer custom-hiring facilities for small and marginal farmers for mechanising their farm operations to enhance productivity with reduced cost.

It also proposes involvement of youth in the marketing of farmers' produce through physical and online markets (like electronic National Agriculture Market or e-NAM) and procurement of farm inputs on behalf of them at best bargained prices. The government, on its part, needs to provide sops like investment grants, soft loans and other facilities to the agri-business startups of rural youth. These and other well-conceived propositions that may appeal to the youth merit urgent consideration and implementation.

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CHINESE WHISPERS

All in the family



A high-level delegation from Karnataka led by Chief Minister H D Kumaraswamy met Prime Minister Narendra Modi (pictured) on Monday and sought relief for the seven flood-hit districts of the state. The delegation comprised former Prime Minister H D Deve Gowda, Deputy Chief Minister G Parameshwara, and ministers H D Revanna, R V Deshpande, D K Shivakumar and Krishna Byre Gowda. According to sources, when it was time to introduce the delegation to the PM, Deve Gowda started off by introducing his sons Kumaraswamy and Revanna. The PM remarked — albeit jokingly — that it seemed like a family affair. If the Gowda family members were at a loss for words, the Congress members in the delegation did little to hide their mirth. Bharatiya Janata Party's Karnataka unit leaders were also invited to the meeting but they chose to give it a miss.

After trek, a protest

Everybody was surprised to see Congress president Rahul Gandhi reach Rajghat, the memorial to Mahatma Gandhi, early on Monday to lead the protests against the increase in petrol and diesel prices. Few in the Opposition, let alone in the Congress, had expected the Congress chief to be present for the Bharat Bandh protests after his pilgrimage to Kailash Mansarovar. The trek to and from Kailash Mansarovar takes about three days and Gandhi was earlier scheduled to return on September 12. He completed the journey in half that time so that he could return to Delhi to take part in the protests. His presence boosted the morale of the party leadership and also conveyed the seriousness of his intent to the rest of the Opposition.

Arrogance, thy name is...

A panel discussion after the launch of senior Congress leader Kapil Sibal's book, *Shades of Truth: A Journey Derailed*, in the capital on Friday had some interesting moments. One such moment was when both P Chidambaram and Sibal admitted that there was indeed a division in the party on moving the impeachment motion against Chief Justice of India Dipak Misra in April this year. But the moment of the function came when the discussions veered towards the Congress party's failure to defend itself when scams started hitting the headlines with unfailing regularity. While Sibal insisted that nothing could be proved and that the scams were just a figment of imagination, the moderator said perhaps some ministers at that time became too arrogant and ignored the need to put up a strong defence. At this point, Chidambaram asked the moderator to name the arrogant leaders he was talking about. There was a deafening silence after that.

Fiscal reforms during the Vajpayee era

In part 2 of the series, the author speaks of the steps taken by the Vajpayee government towards simplification of a very complex excise tax structure



RAKESH MOHAN

The establishment of the Tariff Authority for Major Ports, which set the stage for private investment in major ports, was another infrastructure initiative of the Vajpayee government. The tariffs levied by the port authorities had earlier been decided on by the central ministry of ports and shipping, and all investment in major ports was in the public sector. This initiative shifted the responsibility for setting tariffs to an independent authority, which was essential to attract private investment in major ports. Private investment has flourished since then. I was privileged to be a part-time member of the new authority. The 2001 Budget speech announced the corporatisation of major ports, but this reform remains to be implemented by successor governments, and the archaic port trust structure persists.

All these infrastructure initiatives were examples of far-sighted moves to make the Indian infrastructure sector more efficient, attractive to private investment and more independent from the government decision-making activities, particularly tariffs setting. It is notable that few such major game changing reforms have been carried out in subsequent years. The most significant case in point is that of the Indian

Railways. The Expert Group on Railways Reforms (which I had chaired) submitted comprehensive proposals to the Vajpayee government in 2001 for modernisation and expansion of the Indian Railways, including corporatisation. He was not able to muster up enough political consensus to even make a beginning. Despite at least three more major reports and many announcements, reforms remain to be carried out in the Indian Railways, including even the setting up of a tariff authority to free up rail tariff from political influence.

Fiscal reforms

The Vajpayee government was also very active in advancing the macro-economic reforms initiated by former Prime Minister Narasimha Rao and Finance Minister Manmohan Singh. The Fiscal Responsibility and Budget Management (FRBM) Act was enacted during this period. The original aim was to reduce the fiscal deficit to only 2 per cent and the revenue deficit to zero within five years. However, the final Act did not have these provisions and we have not yet come anywhere near such objectives. The continuity exhibited in the Indian economic reform process is signified by the fact that the FRBM Act was embraced by Finance Minister Chidambaram soon after the Manmohan Singh government came into power in 2004, and almost achieved the 3 per cent fiscal deficit objective in 2007-08. The FRBM Act has, however, been very useful in providing a standard for identifying fiscal profligacy; even though it proved to be ineffective in preventing the fiscal excesses of 2009-13. A noteworthy feature of the FRBM Act promoting independence of the Reserve Bank of India (RBI), is its prohibition of the central bank subscribing directly to government securi-



TRIED AND TESTED The excise tax reform begun after 1991 was taken forward through the establishment of CENVAT by the Vajpayee government

ties, which brings it in line with legal provisions governing most other central banks. In the absence of this provision the central government had resorted to automatic monetisation of its deficits almost continuously until the early 1990s.

The then ongoing excise tax reform begun after 1991 was taken forward through the establishment of CENVAT by the Vajpayee government which instituted a central rate of 16 per cent which covered almost 90 per cent of excise revenue. At the completion of this exercise in 2002 there were only a few items remaining at the 8 per cent slab and some in 24 per cent slab. This was a bold rationalisation that achieved tremendous simplification of a very complex excise tax structure. As a consequence, much of the annual lobbying

for specific excise rates was eliminated over the following 15 years or so. The boldness of this reform can be appreciated from the use of multiple Goods and Services Tax (GST) rates to achieve political consensus. Not surprisingly, the multiplicity of rates has renewed frantic lobbying once again for changing GST rates for very specific items.

Having achieved this CENVAT regime at the central excise level the Vajpayee government, under finance minister Yashwant Sinha, embarked on a long drawn out process to carry out a similar simplification of state-level sales taxes. The inspired innovation was formation of the Empowered Committee of State Finance Ministers set up under the chairmanship of an opposition party finance minister from the then CPM-governed state of West Bengal, Asim

Dasgupta. This resulted in the announcement of the state VAT system finally implemented by the successor UPA I government under the stewardship of Finance Minister Chidambaram. And it is this process which has enabled the current GST tax regime to achieve an Indian common market. The GST Council is a direct descendant of the empowered committee of state finance ministers originally reconstituted by the Vajpayee government. But the GST rate regime, unfortunately, failed to overcome the political pressures and abandoned the simplicity of the CENVAT rate structure.

(To be concluded tomorrow)

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ON THE JOB

Aspirations and reality of jobs in India



MAHESH VYAS

On September 6, *The Times of India* carried a futuristic article by Jayant Sinha, Union Minister of State for Civil Aviation. The minister rejected the farm-to-factory model of job creation in favour of a farm-to-frontier model where workers produce high outputs based on innovation-driven services. The emphasis is on mass services and not mass manufacturing. Ride-sharing taxis, airlines, IT are examples quoted by the minister.

On the same day, in an interview to *The Indian Express*, Infosys founder, Narayana Murthy said that sectors like IT cannot provide the jobs the country needs. Jobs will have to come from manufacturing and low-end services. In this connection, he appreciated the Make in India programme.

A couple of days earlier, a *Mint* leader lamented the poor quality of jobs in India and the apparently misleading rise in entrepreneurship which is nothing but a consequence of a lack of job options. An online survey across 180 cities conducted by YouGov in collaboration with *Mint* showed that 70 per cent of post-millennials and 65 per cent of younger millennials think it is extremely difficult or fairly difficult to find a job nowadays.

The survey shows an apparently unrealistic aspiration among young mil-

lennials. Those less than 21 years of age expect a minimum salary of ₹30,000 per month. This expectation is higher than what the age group 22-28 years with similar qualification earn. Is this lack of realism or, is this higher expectation an expression of rejection with what the job market offers and therefore a desire to start one's own business?

Profits are greater than wages for the successful entrepreneur. But, success in business comes wrapped in risk and a lot more hard work than what the average millennial is willing to invest.

The minister seems to be setting aspirations even higher than what the millennials seem to suggest — right at the frontier. He reports that the average Indian is not happy with the factory job. He expects better. This is not entirely new. We have seen engineers becoming anything but factory workers or even supervisors on the floor shop. The expectation is of an air-conditioned environment. And, Narayana Murthy tells us that such jobs are not coming all that fast anymore.

Most large placement agencies will tell you that the greatest demand today is of sales people. But, this is not what job seekers are looking for. A sales job entails the same grind as that of the factory worker. This is not what young India seems to aspire for.

How soon can reality catch up with aspirations that seem to be running ahead of opportunities? In fact, they could be running in opposite directions. The challenges are increasing. If the disruptions of demonetisation and GST are behind us then the jobs challenge before that are back with us as well.

The unemployment rate before demonetisation was 8-9 per cent and labour participation rate was 47-48 per cent. Both fell after demonetisation. Labour participation rate fell to reach a low of less-than 43 per cent and

unemployment rate fell to 3.4 per cent by July 2017. By August 2018, labour participation rate was still less than 43 per cent, but unemployment had risen to 6.3 per cent.

The *Mint* survey highlighted the problems with urban workers. CMI's Consumer Pyramids Household Survey shows that the pain in urban India is higher than in rural India. Urban unemployment rate touched 6.8 per cent in August 2018 but labour participation rate was abysmally low at 40.75 per cent. The employment rate (which is the proportion of working age persons who are employed) was at its lowest at 37.97 per cent. This low employment rate is perhaps the biggest source of worry.

In rural India, the employment rate is slightly higher at 40.85 per cent, labour participation rate is better at 43.5 per cent and the unemployment rate is lower at 6.1 per cent.

Both regions face a similar problem of aspirations. Urban youngsters don't find jobs that meet their expectations. And, rural folks don't get prices they expect for their product. Possibly, the problem is not merely of a lack of jobs or prices. It is also a problem of unrealistic expectations.

Perhaps, it is wiser to not fuel aspirations way out of reality. We see a small pickup in investments. It is important that this gains momentum and reignites the animal spirits for aggressive expansion in the private sector. A labour force that is not only well trained but is also grounded in reality is important to ensure smooth and sustainable growth of jobs and earnings. India needs men and women to run shop floors as much as it needs them to manoeuvre the drones the minister proposes to launch and take us to the next frontier.

The author is managing director and CEO, Centre for Monitoring Indian Economy Pvt Ltd

LETTERS

A crucial lesson

The article "Kerala floods: Warning of times to come" by Sunita Narain was timely (September 10). While it will take Kerala years to rebuild, it should be seen that some vital lessons are learnt from the debacle and the same mistakes are not repeated. The way nature has been tampered with for so many years, Kerala-like disasters will continue to happen in other parts of the country.

The management of dams is a crucial factor. In the case of Kerala, the deluge in a week dumped copious quantity of water that forced the dams to open their gates. If the dams had not released the water, the possibility of the pressure of water breaking the dams would have unleashed a greater tragedy. More technology needs to be used for better forecasting. Information should also percolate to the lowest levels of dam management without delay. Decisions with regard to water retention limit and release should not be cast in stone. Based on forecasts, officials should be empowered to release water from dams in a phased manner. With the advances we have made in the forecasting and predicting rain, the information regarding unusual patterns should be monitored at a senior level and lower-level functionaries should be guided appropriately.

A balance should also be struck between protection of the ecosystem and progress. While we may not be able to forestall such tragedies, we can at least learn from how magnificently Kerala rose to the challenge and create a template for disaster management. The role of the local media should also be applauded here. Kerala-based news channels showed the way to the whole nation on disaster reporting. They doubled up as call centres fielding calls from desperate people. Details of these struck people were forwarded to the nearest rescue crew. These should come as learnings for us to tackle future disaster scenarios.

K V Premraj Mumbai

No-win situation

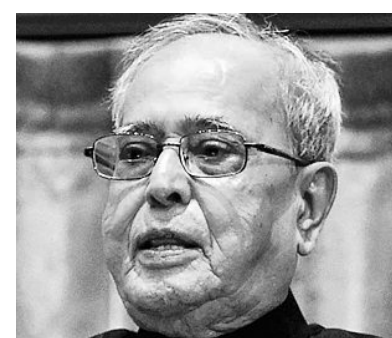
The Centre appears to be in a bind in the wake of rising fuel prices. It is a no-win situation whether excise duty is cut or not. The government has so far rightly resisted the clamour for excise cut in the interest of macro fundamentals. However, it is to be noted that the gross refining margins (GRMs) are currently ruling at very elevated levels. Therefore, the government can consider imposing customs duty of say 2.5 per cent to 5 per cent on crude oil import and pass on equivalent benefit to consumers in the form of excise cut on petrol and diesel that can work out to ₹2 to ₹4 per litre. This will provide relief to people without the Centre having to sacrifice its revenue. This will, of course, reduce profit margins of oil marketing companies though, which is justified in the wake of prevailing high GRMs.

S K Roongta Gurugram

Refreshing change

This refers to Vinay Umari's report "Professor Pranab (pictured) to debut at IIM" (September 9). The Indian Institute of Management Ahmedabad (IIM A) has a tradition of promoting serious studies that support current research needs in grassroots level economic development. It is heartening to see that the institution has taken a refreshing initiative that will lead to the professionalisation of bureaucracy and political leadership at the highest level.

The government of India, state govern-



ments, and political parties should help IIM A in quickly disseminating the benefit of these efforts to focus on the role of public policy in inclusive development by sponsoring and recruiting students who complete the course successfully. Time is opportune for political parties to go for large-scale campus recruitment to support their cadres to become efficient professionals who need not remain dependent on staff for the formulation, understanding, and interpretation of policies.

The occasional presence of seasoned celebrities from politics and administration at academic premises will add to the brand value and elegance of institutions like IIMs.

M G Warriar Mumbai

Letters can be mailed, faxed or e-mailed to: The Editor, Business Standard, Nehru House, 4 Bahadur Shah Zafar Marg, New Delhi 110 002. Fax: (011) 23720201. E-mail: letters@bsmail.in. All letters must have a postal address and telephone number.

HAMBONE

BY MIKE FLANAGAN

