



Management

## **GOOD GOVERNANCE: A KEY TO ENHANCE AGRICULTURAL GROWTH IN INDIA**

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### **ABSTRACT**

*For India agricultural growth rate of minimum 4 percent per annum is a must to ensure livelihood of 48.9 percent population engaged in agriculture, food and nutritional security of country's rising population and last but not the least to alleviate rural poverty. Since country's Independence in 1947 and from the first five year plan to twelfth five year plan, the Government has initiated policy and formulated innumerable programs to accelerate the agricultural growth rate. However, not only the share of agriculture in India's GDP progressively declined from 23.4% in the 9th five year plan[1997-02] to 17.60% in 2014-15 but also the agricultural growth rate during 2014-15 is abysmally the lowest at 0.2 percent as against country's 7.3 percent economic growth rate. Food output in 2014-15 is estimated to be 251.12 million tons [MT] significantly less than 257.13 MT and 265.14 MT in 2012-13 and 2013-14 respectively. This, therefore, points to the focused need for good governance in agriculture right from the concern and commitment of policy-makers through transparent and farmer-friendly administration and implementation of agricultural development programs to the accountability to the farmers to achieve the targeted growth rate and development of agriculture. It is in this context, this development perspective article highlights critical components of good governance in agriculture.*

#### **Keywords:**

*Agriculture; Governance; Farm Growth Rate.*

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### **1. INTRODUCTION**

*"Good governance is perhaps the single most important factor in eradicating poverty and promoting development" said Kofi Annan, 1998.*

The Approach Paper to the Twelfth Plan emphasizes the need to redouble our efforts to ensure that 4% average annual agricultural growth rate is achieved, if not more. In this context Government's commitment to good governance in agriculture can significantly contribute to achieve 4% average annual growth. This is because the concern of good governance has its genesis in the sustainability of agricultural projects that are funded by the Government through budgetary resources and/or financed by the Rural Financial Institutions through mobilizing resources from customers and the market to achieve specific objectives along with measureable development indicators. This paper briefly highlights the definition, concepts and characteristic features of good governance and in the light of farmers' voice the need for examination and reinventing the governance system for agricultural policies, programs and projects to yield expected results.

**Definition:** The World Bank in 1992 in the light of the report "Government and Development" defined governance as "*the manner in which power is exercised in the management of a country's economic and social resources for development*".

Governance has political, economic, and administrative dimensions. Political governance is the process of decision-making to formulate agricultural growth policy whereas economic governance emphasizes decision-making processes that affect country's all economic activities and their relationships with agricultural economy. Administrative governance deals with the implementation of policy. In most developing countries the Government in consultation with farmers' organizations, NGOs, civil society, development economists and the private sector considers necessary to put in place the legal, economic and social systems and institutions of governance to guarantee livelihoods and food security to teaming millions and progressively alleviate rural poverty in particular and environmental protection and women's advancement in general.

**Concepts:** Governance comprises following three distinct identified concepts.

- The process by which the *authority* is judiciously exercised in the implementation and management of agricultural projects in the country utilizing economic and social resources for development.
- The *capacity* of officials to design, formulate and implement policies and programs and discharge functions to yield expected outcomes.
- Farming communities' ability to demand better public services and hold public officials including politicians, legislators and administrators accountable.

For sustainable agricultural development, existence of predictable and transparent framework of rules and institutions is a *sine qua non* to implement the conceptualized projects. Good governance, therefore, emphasizes establishing effective mechanisms, processes and institutions through which farmers articulate their interests, exercise their legal rights, meet their obligations and mediate their differences.

**Assessment:** Good governance can broadly be assessed in following terms.

- *Voice and accountability:* to eliminate the abuse of public office for private gains and diversion of resources.
- *The rule of law:* access to justice and enforcement of rights to land, water, food etc.

- *Regulatory quality*: quality of agricultural development policies and regulations.
- *Government effectiveness*: efficiency and equity in the provision of agricultural services and infrastructure.

## 2. CHARACTERISTIC FEATURES

With the World Bank's initiative two decades ago to define governance others international institutions including United Nations Development Program, International Development Association, Asian Development Bank, and African Development Bank have contributed quite significantly to the understanding of the issues on governance on policies and programs involving investments in sectors of economic growth including agriculture. Following are essential characteristic features of good governance, among others, that can profitably be applied to agriculture.

- **Legal and judicial reforms**: A pro-development and pro-governance legal and judicial system should be in place in which the laws are unambiguous, clear and are uniformly applied by an independent judiciary. Legal frameworks should be fair and enforced impartially, particularly in case of abuse of office and financial powers.
- **The rule of law**: A fair, predictable and stable legal framework is essential so that entrepreneurs may assess economic opportunities and act on them without fear of arbitrary interference or expropriation. This requires that rules be known in advance that they would be actually in force and applied consistently and fairly, that conflicts be resolvable by an independent judicial system, and that procedures for amending and repealing the rules exist and are publicly known.
- **Predictability**: Laws and policies should exist that regulate society and that are applied fairly and consistently. Predictability requires the State and its subsidiary agencies to be bound by and answerable to the legal system in the same way as private enterprises and individuals. The specific area of action could be the development of predictable legal frameworks for private-sector enterprises.
- **Effectiveness and efficiency**: Institutions and processes should produce results that meet needs while making the best use of resources.
- **Public-sector-management**: Public sector management requires change in its organizational structure to understand and fulfill people's aspirations, using resources efficiently, sharpening administrator's concern and commitment towards poor farmers and placing public-enterprise managers continuously under performance reviews and evaluation of economic outcomes.
- **Participation**: Good governance requires that farmers and their interest groups have the opportunity to participate during the formulation of development strategies and that directly affected communities and groups should be able to participate in the design and implementation of programs and projects. This aspect of governance is an essential element in securing commitment and support for smooth and qualitative implementation of agricultural projects. The policy and programs should be flexible enough to offer beneficiaries and others affected the opportunity to improve their design and implementation as and when need be. The specific areas of action would be in the development of participatory and consultative processes. Stakeholders should exercise influence over policy decisions and share control of resources and institutions that affect their lives, thereby applying check and balance on the power of Government. All

categories of farmers including women should have a voice in decision-making, either directly or through legitimate intermediate institutions that represent their interests. Such broad participation and consultation is built on freedom of association and speech, as well as on the capacity to participate constructively.

- **Transparency and information:** Transparency and information are critical components of good governance and to reinforce accountability. Public as users should have access to transparent information on policy-decisions and programs of investment and to ensure efficient resource use, minimize waste, avoid diversion and unproductive use. Public should have easy and reliable access to institutions, processes and information through various authentic sources and there should be clarity as to rules and regulations.
- **Accountability:** Implementing agencies and their employees should be held accountable for their actions to the entities from which they derive their authority. Elected individuals and organizations charged with a public mandate should be held accountable for specific actions to the public from which they derive their authority. In a narrow sense, accountability focuses on the ability to account for the allocation, use and control of public assets in accordance with legally accepted standards. In a broader sense, it is also concerned with the establishment and enforcement of rules of corporate governance. Decision-makers in Government, the private sector and civil society organizations should be accountable to the public as well as to institutional stakeholders.
- **Abuse of office:** Congenial environment must be created to help fight the abuse of public office for private gain.

### 3. GOVERNANCE REFORMS AND STRATEGIES

Governance reforms require *changes* in institutional structures and legal system, viz. [a] Decentralization of the provision of agricultural services [research, education, extension, input supply, processing, marketing etc.], functions/responsibilities [staff] and funds [resources] to lower levels of Government [district, Block and villages] and [b]institutional reforms of ministries and departments of agriculture [creation of autonomous agencies, seeking involvement of private sector, development institutions and NGOs and transfer of management functions to local groups]. In the current context, emphasis has to be to significantly strengthen Panchayati Raj institutions [at district, Block and village levels] financially and equip with professional managerial staff to be capable of planning and implementing agricultural development projects.

Governance reforms to *improve* existing legal and institutional framework by [a]promoting effective participation of farmers [ more importantly groups of small, marginal, women and tenant farmers, share croppers and oral lessees] and their organizations, [e.g. Consortium of Indian Farmers Association] in agricultural policy processes [b]refining management information system in the department of agriculture at local levels [c] initiating community-driven agricultural development projects and [d] supporting Self-Help-Groups of small producer-organizations. In the present context, efforts have to be to create awareness among farmers and seek their full participation, train them and build their capacity.

Strategies that can lead to governance outcomes are acknowledged as “*demand-side*” and “*supply-side*” strategies. [a] The “*demand-side*” strategy aims at strengthening ability of the farmers and their organizations to demand better public services on time and hold public

officials accountable, including elected representatives, legislators and administrators. This strategy refers to the “*voice and accountability*” dimension of good governance [b] The “supply-side” strategy aims at strengthening the capacity of the administrators and other service providers to supply services effectively and efficiently and to be more responsive to farmer’s priorities and needs. This strategy refers to the “Government effectiveness” dimension of good governance.

#### 4. DECENTRALIZATION

Decentralization process, as a part of good governance for agriculture, holds promise to provide better services by “*bringing Government closer to farmers*”. Important features of decentralization include [i] transfer of professional staff, administrative functions and financial resources to lower levels of Government at district, Block and villages [ii] political decentralization accompanied by fiscal and administrative decentralization has considerable potential making service providers accountable to farmers and locally elected Governments. [iii] active participation and committed consultation with farmers and their interest groups enables Government to develop workable and sound agricultural policies and regulations [iv] promoting local level farmers’ organizations [e.g. Consortium of Indian Farmers’ Association] at district level and strengthening farmer’s rights to information can make decentralization effective. [v] improving levels of literacy among farmers and women and training them in farm planning and budgeting contributes substantially to improve the effectiveness of this strategy [vi] democratic decentralization has to continuously improve the engagement of locally elected council members in policy making at lower levels. For this, there is need to significantly improve the understanding, skill and ability of farmers to visualize demands and involve themselves in policy making, directly, through interest groups, and through elected representatives [vii] on lines of the national and State budget, the budgets at local levels is crucially important to ensure that policies befitting local needs are actually translated into practice. Budget process can include five year perspective budget, annual budget, sector-wise investment plans accompanied by quarterly reviews [viii] right-to-information facilitates farmers to access information and farmers report cards, based on surveys soliciting their reaction and satisfaction with the quality of public service provided, help bring out improvements [ix] it is necessary that decentralization process should be administratively capable to prevent local elite capturing and using public resources to their advantage.

#### 5. FARMERS’ VOICE

India has over a period of time evolved and put in place decentralized governance system for agricultural development in specific areas that, *inter alia*, include agricultural research, education and training, extension services, input supply system, processing, storage and warehousing, agricultural marketing. This has yielded encouraging results in increasing farm productivity, output and reducing rural poverty. Now is opportune time to build on these successes and draw a road map of good governance, *inter alia*, concentrating further on decentralization, thereby strengthening organizationally, financially and functionally lower level Governments particularly at *Block and village level* and demonstrating commitment to partner and consult *farmers and farmers’ organizations* to know from them what they really want in respect of research, new agricultural development strategy, accessing financial resources, among others.



Farmers and their organizations want their *voice heard* as is evident from following.

- **Innovative farmers:** It has been well documented that there are several innovative farmers. They have keen observation power and better insight about agriculture-related problems. They use traditional knowledge judiciously to fight area-specific problems in agriculture. Their creative potentials have to be acknowledged. Their active participation and consultation can help develop appropriate location-specific technologies. Experience suggests that formal researches often do not address the problems of high risk areas and, therefore, farmers themselves develop on their own crop varieties and cultivation practices for their survival. Recognizing that “*Necessity is the mother of invention*” farmers have developed manually operated water lifting devices and pumps to lift water from small streams to higher elevations. Farmers in high risk areas are more innovative than other farmers to find solution for their survival. Among innovations, noteworthy are plant varieties, cultivation practices, processing, agricultural tools, non-chemical pest management, harvesting, storing, preservations, mechanical technologies, soil and water management etc. Participatory approach is the appropriate tool for understanding problems and technological gaps of high risk areas. Endeavors should be to develop technology by encouraging innovative farmers. It is a participatory approach and necessitates involvement of all stakeholders, viz. research institutes, financial institutions, innovating farmers, NGOs, women SHGs, to promote local innovations in a scientific and sustainable way. Active participation of innovative farmers and their organizations in each of country’s agro-ecological regions in decision-making policy can significantly help farmer-friendly designing agricultural researches in areas, *inter alia*, viz. [i] development of high-yielding varieties of crops [ii] agronomic practices involving use of seeds, fertilizers, pesticides, water in different combinations to evolve yield-maximizing and cost-minimizing technologies [iii] use of farm tools, equipment and machinery [iv] post-harvest management [v] agricultural advisory services for efficient management of land, water and energy resources, agricultural marketing etc.
- There have been over 100 agricultural development schemes framed by the Central Government and are being implemented by State Governments which farmers in large number of districts out of 630 need significant changes to suit their areas depending on soil, climate, socio-economic conditions and limited resources, skill and capacity while implementing. Schemes they need should be area-specific and farmer-friendly.
- Every year Union Budget adds a good number of schemes supported by subsidies and institutional credit which farmers find extremely difficult to implement since they cannot easily and timely access subsidies and credit. They need their participation and consultation to design hassle-free and speedy procedure, methods and system to access subsidies and credit for implanting schemes
- Farmers do insist to voice their views on important legislations being drafted or passed by Parliament, viz. Seed Act, Land Bill, Commodity Spot Exchange Regulation Act, Groundwater Extraction Regulation Bill, National Water Policy, Policy on Genetically Modified Crops, Contract Farming, Warehousing Receipt etc.
- Farmers intend to be fully aware of all recommendations including their rights and obligations contained in the Report on” National Commission for Farmers”.
- Farmers insist their participation and consultation before allocation of funds for agriculture in annual budgets as they feel allocations at national level are arbitrary and do

not reflect realistic needs of farmers of different agro-ecological regions, States and districts.

- Tenant and women farmers need immediate legislation establishing their legal rights and relationship with land they cultivate to help them invest, access credit, insurance etc.
- Every rupee spent on agricultural research yields a return varying from Rs.1.39 to Rs.3.66 on different food crops. Total Government spending on agricultural research has stagnated over the past decade at meager 0.6% of the agriculture sector's GDP and is considerably lower at 0.14% on agricultural extension services to transfer technology to farmers. Farmers insist to progressively raise to minimum at 2% and 1% respectively by 2017. Besides, agricultural research institutes and centers need to be widely dispersed in all agro-ecological regions and extension service network in all villages of the country.
- As agriculture has been the State subject farmers have serious views that States in general and districts/Blocks in particular must be given adequate financial resources on time, hassle-free and full authority and flexibility to frame research policy, formulate development strategies and create infrastructure. In this specific case, farmers at district, Block and village levels want their "*voice heard and officials of Central and State Governments held accountable*".
- To facilitate better implementation of programs and projects farmers desire to avail most supplies and services at Block headquarter or preferably in village itself. Each Block in the country should become nodal center and adequately strengthened to provide all services to farmers, viz. [i]training to farmers in all respects of scientific methods of cultivation [theoretical with practical demonstration] [ii] sale of approved quality seeds, fertilizers, pesticides, farm tools, equipment and machinery to farmers by authorized dealers [iii] soil, water, seed. fertilizer, pesticide testing facilities [iv] supply of spares, services and repair facilities of farm machinery [v] storage and warehousing facilities [vi]Agricultural Produce Market Committee [vii]Krishi Vigyan Kendra [viii] Branch of financial institutions supported by technologies.
- Each village should have progressively facilities viz. [i] seed production by progressive and trained farmers under the close supervision of technical staff and certified by authorized agency appointed at district level [ii] agricultural extension staff [iii] demonstration of technology on selected small farmer's field [iv] formation of Farmers' clubs and Self-Help-Groups of small, marginal, tenant and women farmers; share croppers and oral lessees[v] Branch of financial institutions to provide all facilities to farmers and rural households [vi] Automatic Weather Record Station to help farmers access weather-based crop insurance scheme [vii] Village Mandi in relatively bigger village
- Since resources, viz. land, water and energy are limited, scarce, costly and having competing demand for urbanization, industrialization and meeting farming needs, there is greater need now than before to consider appointing an independent Regulatory and Development Authority manned by professional to look these resources in totality and evolve appropriate legal framework, mechanism and procedure to deal with existing and emerging issues.[ii] Farm productivity improvement depends significantly upon the use of inputs, viz. seeds, fertilizers, pesticides, water, farm equipment and machinery etc. which have necessarily to be of standard quality, available on time and at reasonable price protecting consumers' rights. This, therefore, calls for putting in place Regulatory and Development Authority to consider legal framework, mechanism and procedure to

ensure that farmers as users invariably are guaranteed to receive farm inputs of these characteristics.

It is, therefore, necessary to thoroughly evaluate the existing governance for agriculture including the decentralization process in the light of emerging needs and reinvent the governance system and consider Public-Private-Partnership mode to facilitate better planning and implementation of policy, programs and projects.

## 6. CONCLUSION

While governance acknowledges the facts that [i] all farmers [including small, marginal, women and tenant farmers, share croppers, oral lessees, landless laborers, farmers of tribal, hilly and drought-prone areas] should have equal opportunity to sustainably develop agriculture for their livelihoods, food and nutritional security and poverty-alleviation and [ii] institutions and processes should serve all stakeholders, good governance should mediate differing interests in order to reach broad consensus on the best interest of groups on policies and procedures. To accomplish this Herculean task elected representatives, enlightened professionals and innovative farmers should have a broad and long-term perspective on good governance along with a sense of what is needed that can contribute to agricultural growth leading to human development. Besides, there should be proper understanding of the historical, cultural and socio-economic complexities on which that perspective can be founded.

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