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December 16, 2016

Dr. A. Narayanamoorthy
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Foreword

Most students possess a natural interest in writing, an inherent need to express themselves in words. Some may be very good in writing articles on topical issues, while others may be very bright in creating exciting stories and thought provoking essays. But, for a long time, the students were not getting an opportunity to express their creativeness in printed form. In order to foster creativity and ingenuity, the Alagappa University has initiated a novel publication called as *Students' Magazine*, which is completely managed by the students themselves. I am equally pleased to know that the students studying in the Department of Economics and Rural Development have brought out a magazine known as *Alagu Economist* by taking forward the motivation provided by the University. I congratulate all the students for taking this wonderful effort.

A. Narayanamoorthy

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Impact of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) on Agricultural Wage Rate and Crops' Profitability in India

Summary

N. Gayathri Devi
Ph.D., Research Scholar

Assured and enhanced wage rate as well as employment opportunities are the important determinants of rural poverty in India. Both assured wage rate and employment opportunities would directly assist in improving the purchasing power of the rural poor to lift above the poverty line in a sustained manner. Keeping this in view, the government of India launched a novel scheme of assured wage employment in over 200 backward districts in 2006, which is named as the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). Government of India is spending over Rs. 40,000 crore annually to provide wage and employment through this scheme. This scheme has also been extended to all the districts of India during 2008-09. Recent studies indicated that the scheme has been able to provide assured wage rate and employment in most of the states, where it has been implemented effectively.

Although MGNREGA has improved the standard of living of rural poor, it has reportedly affected the agricultural sector due to raised wage rate and cost of cultivation of major crops. The implementation of the scheme has not only increased labour scarcity in many parts of India but also increased the wage rate steeply and reduced working hours of labour. All these have also reportedly increased cost of cultivation of crops in India. Keeping these in view, utilizing the district and state-wise data, this study analyses the impact of MGNREGA on the variation of farm and non-farm wage rate across districts and states of rural India and other factors affecting the level of rural labour wage rate. It also analyses the impacts of MGNREGA on the variation of cost of cultivation and farm profitability among five major crops cultivated across the states of India.

At all India level, it was found that the male agricultural wage rate had grown at a higher level in ploughing as compared to female wage rate which is found to be higher in weeding operation after MGNREGA. The study showed that increase in employment opportunity in MGNREGA determines the increase in the wage rate. The analysis showed that the average days of employment per household provided through MGNREGA appeared to be the dominant factor in influencing the growth rate of farm wage for both male and female labourers after the introduction of rural employment scheme in India.

At the district level analysis, the growth in female wage rate was found to be higher than the male wage rate after MGNREGA in almost all the districts of Tamil Nadu. The regression results indicated that irrigation and employment days per household provided by MGNREGA appeared to have influenced the growth in male wage rate while productivity, cropped area, rainfall and employment days have fuelled the growth in female wage rate. The crops' profitability analysis showed that the cost of human labour had increased considerably in all the five crops, after MGNREGA. However, it has not made any harmful impact on the profitability. This reveals that farmers would have earned appreciable profit after MGNREGA if the cost of human labour had not increased appreciably. Also the relatively less increase in the value of output in most crops suggests that the farmers did not get the price for their produce in consonance with the cost of cultivation.

Economic Impact of SRI method of Paddy Cultivation in Tamil Nadu

Summary

P. Jothi
Ph.D., Research Scholar

Rice is a staple diet for the majority of the 1.7 billion South Asian populations and a source of livelihood for more than 50 million households. Today the demand for rice has increased because of the population pressure and increased income growth. Some estimates have suggested that the demand for rice is expected to be increased by about 38% in 2040. The present productivity of rice in India is 2390 kg/ha which is below the world average productivity of 4548 kg/ha. But, the problem is paddy has been predominantly cultivated under irrigated condition, where as the yield is significantly higher than that of unirrigated condition. It requires 5000 liters of water for producing one kg of rice that its actual requirement of 3000 liters, but about 2000 liters of water lost due to flooding and seepage losses. Today groundwater depletion is also blamed for rice irrigation. The rapid depletion of groundwater across much of India threatens the success of green revolution. It also creates water conflict between the states. On the other side, Commission for Agriculture Costs and Prices (CACP) indicates that paddy cultivation under flood method is no longer profitable to the farmers. Hence, in recent years the farmers are quitting from rice farming because of poor remuneration and increasing cost of cultivation.

The productivity of rice should be increased with less resource use to sustain its production. To solve the existing problems, the government of India has been promoting the new method of paddy cultivation at the field level, popularly known as SRI (System of Rice Intensification) method of paddy cultivation. This study has made an attempt to assess the impact of SRI method of paddy cultivation in Tamil Nadu as well as its suitability under different sources of irrigation such as tank, canal and ground water.

SRI method of paddy cultivation was basically introduced for conservation of water and to increase the productivity of paddy. The water use pattern of paddy crop is expected to be totally different under different sources of irrigation due to various reasons. Keeping in this view, the study has analysed the quantity of water consumption under SRI and conventional method of paddy cultivation in the three different sources of irrigation. The study found that the average number of irrigation and hours required for each turn of irrigation used by SRI farmers is less compared to non-SRI farmers in all the three different sources of irrigation. As a result of this, the total hours of water used for cultivating paddy under SRI method was found to be substantially lower than conventional method.

The study also analysed the cost of cultivation as well as productivity of paddy crop. The study found that SRI method can reduce the cost of cultivation, since it minimizes yield enhancing inputs and reduces the labour requirements under all the three different sources of irrigation. The results also indicated that the productivity of paddy under SRI method has increased substantially over than the conventional method, because of following certain basic principles of SRI method such as square planting with the space of 25x25 cm, young paddy seedlings, alternative wetting and drying method of irrigation and usage of cono-weeder. On the whole, the study has proved that the SRI method of paddy cultivation is suitable to cultivate under all the three different sources of irrigation as it yields more with less inputs.

Economic Analysis of Drip Method Irrigated Crops: An Empirical Analysis from Tamil Nadu

Summary

N. Devika
Ph.D., Research Scholar

Water is critical for the sustenance of life, health, and well-being of humans, plants and animals. But, the available potential of water has been declining at a faster rate and the demand for water has been increasing at an alarming rate due to its ever increasing demand for the energy, industry and domestic purposes in India. Much of the available irrigation water in India is applied through the conventional surface irrigation method, which involves huge conveyance and distribution losses resulting in low irrigation efficiency of around 35 to 40 percent. The poor irrigation water use efficiency not only reduces the anticipated outcomes from investments in the water resources sector of the country but also create environmental problems like lowering of water table due to over-exploitation of subsurface water resources, water-logging and soil salinity there by adversely affecting the yields.

One of the methods introduced recently in India to increase the water use efficiency in irrigation is the drip method of irrigation (DMI). In this method, water is supplied straight to crop root zone, where the efficiency of water use is extremely high as it substantially reduces the evaporation, conveyance and distribution losses of water. It has been reported by various studies that drip irrigation helped in reducing the cost of cultivation in operations like fertilisers, labour, tilling and weeding when compared with the conventional method of irrigation. The water saving and water use efficiency of different crops cultivated under drip method of irrigation is significantly higher when compared with flood method of irrigation.

Similarly, the productivity as well as profit of different crops is found to be higher with the crops cultivated under drip method of irrigation. However, not many studies are available on the economics of drip method of irrigation specifically focusing on Tamil Nadu which is a very water scarce state in India. Keeping this in view, therefore, the study focuses on the analysis of the impact of drip irrigation on various parameters of chilli cultivation using field-level data collected from Tamil Nadu state.

The study shows that cultivating chilli under drip irrigation provides a number of benefits to farmers over flood irrigation, thereby reducing their distress, specifically that of the small farmers who have been encountering problems in reaping better profitability in crop cultivation in the recent years. Water conservation due to the adoption of drip irrigation in chilli cultivation is estimated to be higher than flood irrigation. Through the reduction of working hours of pumpset that occurred due to water saving, drip irrigation also helps reducing the electricity consumption over the conventional irrigation method. The productivity of drip-irrigated chilli is higher than the same harvested using flood irrigation. The results of the study show that the drip investment in chilli cultivation remains economically viable even without subsidy. It has recognised that use of micro irrigation method like drip irrigation is only alternative for efficient use of surface as well as ground water resources.

Contribution of Female Labour in Agriculture Sector in India

Summary

A. Kayathri
M. Phil., Student

Agriculture is the main occupation of the people as around 80% of them are depending on agriculture and allied activities in rural areas in India. Women play a significant and crucial role in agricultural and allied sector developmental activities such as the main crop production, livestock production, horticulture, post harvest operation agro/ social forestry fisheries etc. Consequently their contribution to agriculture output is undoubtedly extremely significant, although difficult to quantify with any accuracy. It has often been claimed that women produce 60-80 percent of food.

As per the census 2001, the India workforce is over 400 million strong, which constitutes 39.1% of the total population of the country. The workers comprise 312 million main workers and 88 million marginal workers (i.e., those who did not work for at least 183 days in preceding 12 months to the census data). Gender disparities among the total workforce are significant.

Of the total 402 million workers, 275 million are males and 127 million female. This implies that 51.7 percent of total males and 25.6 percent of the total female are workers. The number of female workers is about less than half the number of male workers. In terms of proportion 68.4 percent of the workers are male and 31.6 percent are female. Main workers constitute 77.8% of the total workers, the remaining are marginal workers. Among the main workers, female workers, are only 23.3% and 76.7% are male workers. Majority of female workers (87%) are from rural areas. This is also twice that of male workers, which may be due to their being employed predominantly in activities like cultivation and agriculture labour. Majority of female workers are engaged in households industry and other work.

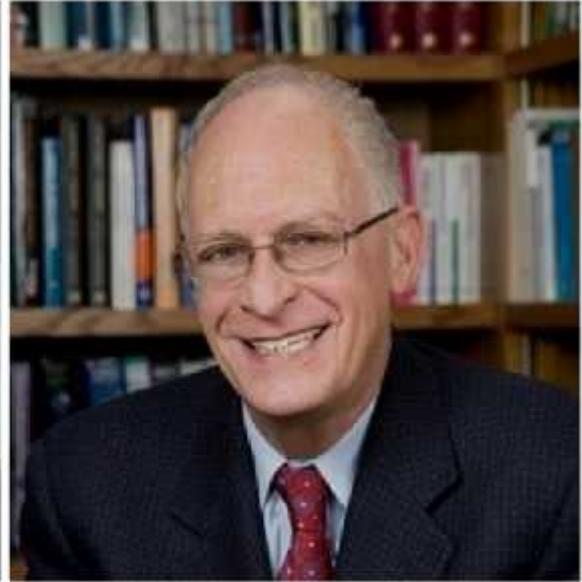
Interestingly, among marginal workers females outnumber the male. In three of four categories, viz. cultivators, agriculture labour and household industries, female marginal workers outnumber male workers. This means that the female workers are moved from agriculture activities to non-agriculture activities. Besides, wage difference for the same type of labour between male and female workers which discourage the female workers to involve in agriculture. Raising female labour force participation could boost economic growth through increased productivity.

A Note on Nobel Prize in Economics, 2016

K. Raja
M.A., II year



Bengt Holmstrom,



Oliver Hart

The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel 2016 for Oliver Hart, Bengt Holmstrom. The Nobel Memorial Prize in Economic Science has just been awarded to Oliver Hart and Bengt Holmstrom for building the foundations of contract theory. The contract theory is not merely the study of legally binding contracts. Broadly defined, it studies the design of formal and informal agreements that motivate people with conflicting interests to take mutually beneficial actions. Contract theory guides us in structuring arrangements between employers and employees, shareholders and chief executives, and companies and their suppliers.

I suggest all the students to use theories in their empirical research work.

Demonetization: The Story Continues

Summary

K.S. Sujitha
M. A., II year

Demonetization is the withdrawal of a particular form of currency from circulation. Through demonetization the old currency is replaced by the new value currency or currency circulation is blocked. There are multiple reasons why the country demonetizes its currency such as to check the inflation, to curb the corruption and to promote the cashless transactions. Professor Sen said, “Only an authoritarian government can calmly cause such misery to the people with millions of innocent people being deprived of their money and being subjected to suffering, inconvenience and indignity in trying to get their own money back”. Our former Prime Minister Manmohan Singh has called demonetization an “organized loot a legalized plunder” “and a monumental mismanagement”. He also added that the national income would fall by two percent. Economist and former Indian representative to the IMF Arvind Virmani pointed out that the process of demonetization is a useful method of flushing out black money given that a large percentage of cash holding in these two denominations namely 500 and 1000s.”

Recently the Indian Government decided to demonetize the biggest denomination notes that is 500/-,1,000/- rupees notes, this step has been declared as master stroke for the Indian economy by various experts. This is not the first time that India has demonetized its currency earlier it was done in 1946 with the complete ban of Rs.1000/-and Rs.10, 000/-notes to deal with the unaccounted money, that is black money. Second time it was done in 1978 by government headed by Moraji Desai, when Rs.1000/- Rs.5,000/- and Rs.10,000/- notes were demonetized, the main objective of demonetization in the year 1978 was to unearth the black money to curb corruption counterfeit currency as well as terror financing. This step is considered as the biggest cleanliness drive against the black money in the history of Indian economy. As per RBI, 87% transactions in India are cash transactions and this loophole is used by corrupted people to build a parallel economy with unaccounted money. This parallel economy helps in terror financing which intern hampers the growth and development of the country. Currently high values notes account for total value of 86% of notes in circulation in India. It is expected that this step will help in reducing the fiscal deficit of India and promote the cashless economy in India which can be easily monitored.

Demonetization steps of Central Government will surely result into something good and helping in reducing the black money. It will surely bring the clear view of every transaction within the country and promote cashless transactions.

The step will affect general people to some extent but for the benefit of future generation such decisions are invited. We should welcome such brave step of the Indian Government which will curb the black money to a large extent.

Awards and Recognition Received

Ms. P. Jothi, Ms. N. Devika and Ms. C. Renuka (Ph.D., students of Dr. A. Narayanamoorthy) have received the award with the memento for the Best Paper Presented by Ph.D., Scholars at the 76th Annual Conference of the Indian Society of Agricultural Economics, at Assam Agricultural University, Jorhat, during November 21-23, 2016. A total of 30 Ph.D., students from different leading Research Institutions and Universities from all over India have presented their papers in this Conference. The students have received the award Certificate from the hands of Prof. Ramesh Chand (Member, NITI Aayog, Government of India) and Prof. Abhijit Sen (former Member, Planning Commission, Government of India).



Village Placement Programme -2016

The Department of Economics and Rural Development, Alagappa University, Karaikudi, has organized a three day Village Placement Programme [VPP] at Siravayal Village from 23-25 September, 2016 for the II Year M.A. students. This programme is one of the subjects in the curriculum of M.A. programme. The students are put in stay at the village on these days and trained to study about the village habitats, people living pattern, their basic requisites and facilities available now etc.

Meanwhile Prof. S. Subbiah, the Vice-Chancellor of Alagappa University visited the school at the VPP camp and asked the students ambition and their immediate needs. He assured for sanctioning a computer system for the school, cricket tool kit and a carom board for the students to improve co-curricular activities.

Siravayal is one of seven adopted villages by the Alagappa University under the VPP programme. Due to the adoption scheme, village will get constant attention by Alagappa University to improve facilities of the village. Siravayal village is located in Karaikudi Tehsil of Sivaganga district in Tamil Nadu, India.



Tree Plantation Programme

The Alagappa University, Centre on swachh Bharat and Swasth Bharat, National Service Scheme, Environmental Awareness Club together has conducted “Tree Plantation Programme” in our university. The Alagappa Univeristy has initiated to plant a total of 3300 trees in three phases where each phase contains 1100 saplings.

Tree Plantation programme (Third Phase) was held in Alagappa University on 20th February 2017 at 11.00 am. Prof. S. Subbiah (Vice Chancellor), Prof. V. Balachandran (Registrar i/c), Dr. Alby John Vargeesh (I.A.S.,) Sub Collector, Devakottai, Assistant Professors and Students planted the sapling in the University PG Block. The students of Department of Economics and Rural Development, actively participated in the programme. They had planted various types of plants such as mango, lemon, pomegranate, coconut, neem, jack and gooseberry. In this occasion, our respected Vice Chancellor had also emphasized about the importance of tree plantation. The students were also taught how to plant, water, and protect the environment etc. during this programme.



Alumni and Parents-Teachers Meet held at DERD during 2016



Celebrating Pongal Festival in our Department





Adam Smith (1723 - 1723)

K. Mahalakshmi
(M.A., I Year)

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Head

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