



INSTITUTE OF DEVELOPMENT STUDIES KOLKATA

(A Centre of Excellence in Social Sciences funded by the Government of West Bengal)

SALT LAKE CAMPUS • DD 27/D, SECTOR 1, SALT LAKE, KOLKATA 700 064

Seminar

Professor S. Chandrasekhar (Indira Gandhi Institute of Development Research, Mumbai) and **Dr. Karthikeya Naraparaju** (Indian Institute of Management, Indore) will present their joint paper on :

Income Generation and Inequality in India's Agricultural Sector

Date: September 15, 2017 Friday

Time: 3:15PM

Venue: IDSK Seminar Room, 5th Floor, Salt Lake

(All are welcome to participate in the seminar)

Subhanil Chowdhury

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Abstract

This paper is a contribution to understanding income generation and inequality in India's agricultural sector. We analyse the National Sample Surveys of agriculture in 2003 and 2013 using descriptive, decomposition, and modelling tools, and estimate income inequality in the agricultural sector at the scale of the nation and its 17 largest states. We show that: (a) income inequality in India's agricultural sector is very high (Gini Coefficient of around 0.6 during the period), (b) about half of the income inequality is explained by the household-level variance in income from cultivation, which in turn is primarily dependent on variance in landownership, and (c) there are significant state-level differences in the structures/patterns of income generation from agriculture. These findings are important for two principal reasons. First, these measurements of inequality challenge the widely-held belief-based on consumption rather than income data-that India is a low-inequality country. Second, these findings reinforce the idea that the extreme fragmentation of agricultural land is the root cause of poverty in India, and the fact that the fragmentation continues to grow more intense is the singular challenge of Indian development.