

# THE ECONOMIC TIMES

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## 'Potential of Agri Sector to Bring Prosperity Limited'

Creation of jobs in industry and services important, says Panagariya

### Our Bureau

**New Delhi:** NITI Aayog vice chairman Arvind Panagariya has batted for creation of jobs in industry and services, pointing out that agriculture has limited potential to bring prosperity to India's vast population.

In his first blog after taking over as vice chairman of the National Institution for Transforming India, Panagariya said that the potential of agriculture to bring prosperity to a vast population remains limited. The blog was posted on NITI Aayog's website, which was launched on Monday.

"There can be little disagreement that the fastest relief to the poor in India would come from productivity growth in agriculture... But in the longer run, the potential of agriculture to bring prosperity to a vast population remains limited," Panagariya wrote.

"It is in this context that the creation of good jobs in industry and services is critically important. Unless workers have the opportunity to migrate to better paid jobs in these sectors, they will be unable to fully share in the prosperity experienced by a fast-growing



**NITI Aayog VC Arvind Panagariya**

economy," he said citing the examples of Taiwan and South Korea.

According to Panagariya, in countries experiencing growth rates of 6% or more over long periods, industry and services have grown substantially faster than agriculture and the same holds true for India.

Highlighting labour reforms unveiled by this government over the last one year, Panagariya said that while reorienting public investment in agriculture toward productivity-enhancing items

such as micro irrigation, soil cards, effective extension services and improved seeds, the government has paid special attention to creating jobs in industry and services. "The 'Make in India' campaign has provided the umbrella for many of the government's initiatives in this context," he said in his blog.

Brushing off the fear that the expansion of industry and services would divert land away from agriculture, thereby undermining food security, Panagariya said that the area under non-agricultural use, which includes housing, industry, offices, roads, railways and other similar items, was only 8% in 2011-12, compared to 7% in 1997-98.

"Accelerated growth over these 15 years facilitated by the 1 percentage point increase in non-agricultural use of land has produced more gains in per-capita income and poverty reduction than what had been achieved over the entire 50 preceding years," he said, adding that agricultural growth and the expansion of good jobs in industry and services can go hand-in-hand to bring about rapid elimination of poverty and shared prosperity for all.