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Impact of subsidies on upliftment of socio-economic status of tribal farmers of Mandla district, Madhya Pradesh

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Abstract

The study was carried out in Mandla district of Madhya Pradesh with the objective to assess the impact of subsidies on upliftment of socio-economic status of tribal farmers. Mandla block was selected randomly and proportionate random sampling was used to make sample size 161. The result of the study revealed that before taking subsidy, majority of beneficiaries (95.04%) had medium income generation, whereas 61.49 per cent of beneficiaries had low purchasing power and 94.41 per cent of beneficiaries had low decision-making. While after taking subsidy 59.01 per cent of beneficiaries had medium income generation, 53.43 per cent of beneficiaries had medium purchasing power and 62.12 per cent had medium decision-making. The t-test calculated was found to be significant at 0.05 level of probability, indicated that there was considerable difference between before and after intervention of subsidy by tribal farmers.

Keywords: subsidies, impact, income generation, purchasing power, decision-making

Introduction

India has been a promising country of the world in its development having a total population of 1, 366, 417, 754 of which approximately 5.6% of the total population of the country was tribal. These tribal people have significant contributions to the local and national economy by being participated in different activities such as vegetable production, nursery establishment, livestock and poultry raising, cottage industry and small business etc. Unfortunately, the tribal people community is almost unknown to modern agricultural technology and has been left out from the main stream of economic development. Considering their socio-economic upliftment, it is reported that the various economic activities that can profitably be carried out by the tribal people include: agricultural production, e.g., vegetables, fruits and field crops; livestock production, e.g., poultry, cattle rearing, beef fattening and pig rearing etc; and non-agricultural, e.g., handicrafts, cottage industry, small business, tailoring and nursery establishment, etc. (Shaha, 2003) [8]. An effective agricultural programme might be a tool in order for carrying out Income Generation to train and educate tribal population. Agricultural extension services, KVKs and other agricultural development agencies, therefore, need to develop a suitable mechanism for imparting knowledge and skills to the tribal people on various aspects of subsidy to increase income generation. As a result, the tribal farmers will favorably be disposed towards adoption of various agricultural subsidies to increase their income. Whereas, it is not surprising that there was a tendency to own more number of animals by marginal and small farmers as their holdings were highly limited and they could not afford to own equipment (Mahadeva 2004) [6]. In fact, any subsidy programme for the tribal farmers should be designed based on their felt needs they are struggling with.

Agricultural subsidies in India have increased tremendously. Agricultural subsidies are benefits given to farmers to support their operations, by which the objective of growth and social justice may be achieved. There are four types of studies available on agricultural subsidies starting from estimation of subsidies, subsidy policy; impact of subsidies to beneficiaries of subsidies (Deshpande *et al* 2002:4-8) [2]. The input subsidy is an important non-price incentive for beneficiaries to adopt new technology to undertake the preferred investment for raising production. There are two motives behind providing the agricultural subsidies to farmers; firstly to encourage the use of new technology among the farmers and secondly to reduce the cost of production (Anand and Kaur 2019) [1]. In India subsidies are provided both by Central and the State Government on fertilizers, irrigation (canal water), electricity and miscellaneous agricultural subsidies and to farmers' cooperative societies in the

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form of seeds, development of oil seeds, pulses, cotton, rice, maize and crop insurance schemes and price support schemes, etc.

The study highlighted the upliftment of socio-economic status of tribal farmers was carried which would help the policy makers to plan alternatives which would allow the tribal farmers to choose the subsidy suitable to their socio-economic conditions and it will help to bring appropriate policy implications based on derived conclusions.

Material and Methods

The present investigation was carried out in Mandla district. Out of the 9 blocks, 4 blocks were selected randomly. Four villages from each block were selected based on the maximum tribal population. The farmers were selected by the proportionate random sampling method to make sample size 161. An interview schedule was used for the data collection. The assessment of impact of subsidies was measured by paired t-test. The data was collected personally at the residence as well as the farm of the farmers. The collected data were coded, compiled, tabulated, and analyzed in line with the objectives of the study. Qualitative data were converted into quantitative data by means of suitable scoring, wherever necessary. Descriptive statistics such as mean and frequency were used for describing the variables of the study. Pearson’s Co-efficient of correlation was used to explore the relationships between dependent and independent variables.

Result and Discussion

Table 1: Impact of subsidy on income generation, purchasing power and decision-making of beneficiaries

S. No.	Categories	Frequency		Mean		t- value
		Before	After	Before	After	
Income generation	Low	153	54	0.95	0.33	06.98*
	Medium	08	95	0.04	0.59	
	High	00	12	0.00	0.07	
Purchasing power	Low	99	42	0.61	0.26	09.23*
	Medium	49	86	0.30	0.53	
	High	13	33	0.08	0.20	
Decision-making	Low	152	41	0.94	0.25	24.94*
	Medium	09	100	0.05	0.62	
	High	00	20	0.00	0.12	

*significant at 0.05 probability level, t-tab- 1.97

Table 1 presents the data regarding impact of subsidies on upliftment of socio-economic status of farmers. Regarding income generation, the study indicated that before taking subsidy tribal farmers had low income generation with mean score of 0.95 followed by medium income generation and had high income generation. While after taking subsidy tribal farmers had medium income generation with mean score of 0.59 followed by low income generation and had high income generation. When these data was subjected to t-test the calculated value of ‘t’ was found to be greater than the table value (1.97) at 0.05of level of significance. The result revealed that all the respondents were considered subsidy as beneficial. This may be due to income generating activities performed well by tribal beneficiaries and also due to better functioning of subsidy. Thus, it may be concluded that medium income group had higher percentage while high income group had negative impact towards subsidy In terms of purchasing power, the study indicated that tribal farmers had low purchasing power with mean score of 0.61, followed by medium purchasing power. While after taking subsidy farmers had medium purchasing power with the mean

score of 0.53, followed by low purchasing power and high purchasing power, this might be due to the reason that agricultural implements are expensive and without subsidy, it would be difficult for tribal farmers to purchase any implement without subsidy. When these data were subjected to t-test, the calculated value of ‘t’ was found to be greater than the table value (1.97) at 0.05 of level of significance and there was significant difference between before and after intervention of subsidy with respect to purchasing power of beneficiaries.

In case of decision-making, the study indicated that before taking subsidy the mean value of farmers was 0.94 having low decision making power, whereas medium decision-making has mean score of 0.05 and high decision-making have mean score of 0.00 and after taking subsidy farmers having medium decision-making with mean score of 0.62, followed by low decision-making with mean score of 0.25 and high decision-making with mean score of 0.12, it may be found that tribal farmers are getting profit through subsidy therefore they are changing their decision in terms of subsidy. When these data were subjected to t-test, the calculated value of ‘t’ was found to be greater than the table value (1.97) at 0.05 of level of significance and there was significant difference between before and after intervention of subsidy with respect to decision-making of beneficiaries.

Table 2: Relationship between independent variables with upliftment of socio-economic status of beneficiaries in terms of income generation

Independent Variables	r value
Age	0.331*
Education level	0.254*
Type of family	0.687*
Type of house	0.356*
Size of land holding	0.538*
Occupation	0.397*
Annual Income	0.425*
Social Participation	0.141 ^{NS}
Material possession	0.118 ^{NS}
Farm power	-0.063 ^{NS}
Farming Experience	0.266*
Risk orientation	0.365*
Innovativeness	0.221*
Subsidy orientation	-0.328*
Knowledge toward subsidies	0.313*
Attitude toward subsidies	0.245*
Level of satisfaction	0.108 ^{NS}
Economic motivation	0.091 ^{NS}
Extension contact	-0.154 ^{NS}
Mass media exposure	0.036 ^{NS}
Sources of information used	0.519*
Utilization pattern of subsidies	0.658*

Table 2 shows that change in income generation and age, education level, type of family, type of house, size of land holding, occupation, annual income, farming experience, risk orientation, innovativeness, subsidy orientation, knowledge towards subsidy, attitude towards subsidy, source of information used, utilization pattern of subsidy, were found to be positively significant, which means all these variables had influence on income generation through subsidies. Whereas social participation, material possession, farm power, level of satisfaction, economic motivation, extension contact and mass media exposure were found non-significant with at 0.05 level of probability. It referred that these variables had no significant influence on the receipt of subsidy by the tribal farmers.

Table 3: Relationship between independent variables with upliftment of socio-economic status of beneficiaries in terms of purchasing power

Independent Variables	r value
Age	0.055 ^{NS}
Education level	0.087 ^{NS}
Type of family	0.324*
Type of house	0.326*
Size of land holding	0.490*
Occupation	0.308*
Annual Income	0.413*
Social Participation	-0.013*
Material possession	0.318*
Farm power	0.044 ^{NS}
Farming Experience	0.410*
Risk orientation	0.517*
Innovativeness	0.666*
Subsidy orientation	0.343*
Knowledge toward subsidies	0.818*
Attitude toward subsidies	0.545*
Level of satisfaction	0.038 ^{NS}
Economic motivation	0.092 ^{NS}
Extension contact	0.085 ^{NS}
Mass media exposure	0.295*
Sources of information used	0.667*
Utilization pattern of subsidies	0.820*

Table 3 shows that out of the twenty two independent variables taken in the study, only sixteen variables i.e. type of family, type of house, size of land holding, occupation, annual income, social participation, material possession, farming experience, risk orientation, innovativeness, subsidy orientation, knowledge towards subsidy, attitude towards subsidy, mass media exposure, source of information used, utilization pattern of subsidy were found to be positively significant. This finding is supported by Kaur and Sharma (2012) [5]. While age, education level, farm power, level of satisfaction, economic motivation and extension contact found to be non-significant at 0.05 level of probability. This finding is supported by (Kiran 2011) [4].

Table 4: Relationship between independent variables with upliftment of socio-economic status of beneficiaries in terms of decision-making

Independent Variables	r value
Age	0.488*
Education level	0.042 ^{NS}
Type of family	0.370*
Type of house	0.351*
Size of land holding	0.584*
Occupation	0.614*
Annual Income	0.495*
Social Participation	0.407*
Material possession	0.306*
Farm power	0.071 ^{NS}
Farming Experience	0.432*
Risk orientation	0.334*
Innovativeness	0.448*
Subsidy orientation	0.362*
Knowledge toward subsidies	0.855*
Attitude toward subsidies	0.527*
Level of satisfaction	0.324*
Economic motivation	0.366*
Extension contact	0.303*
Mass media exposure	0.520*
Sources of information used	0.692*
Utilization pattern of subsidies.	0.768*

Table 4 shows that out of the twenty two independent variables taken in the study, only sixteen variables i.e. type of family, type of house, size of land holding, occupation, annual income, social participation, material possession, farming experience, risk orientation, innovativeness, subsidy orientation, knowledge towards subsidy, attitude towards subsidy, mass media exposure, source of information used, utilization pattern of subsidy were found to be positively significant. This finding is supported by Parmar *et al.* (2014) [7]. Whereas education level and farm power were found to be non-significant at 0.05 level of probability.

Conclusion

The tribal farmers are a special interest group of the population of Mandla. Accordingly to various programmes designed for improving their socio-economic condition of tribal farmers. They need proper information especially on plantation, seeds and power supply and other important aspects of subsidy for desired output. The subsidies have increased the income generation, purchasing power and decision-making of tribal farmers but unfortunately they do not have proper knowledge and skills to understand the benefit of subsidy provided by government. In addition, they need proper information on subsidy. In case of income generation, purchasing power and decision-making of tribal farmers they had significant difference with each other. The t-test calculated was found to be significant, this indicate that there was considerable difference between before and after intervention of subsidy by tribal farmers. Thus, the subsidy played significant role in change in income generation, purchasing power and decision-making of farmers. It is also imperative for respective authorities to offer implementation opportunities on subsidy for the tribal farmers to augment their income as well as their decision making towards subsidy. It might also be said that if arrangements are made for proper information about subsidy for the tribal people, it would have a salutary impact on the upliftment of socio-economic status of the tribal farmers.

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