

# Agricultural Economics Research Association (India)

## CONFERENCE OUTLINE

### **Conference Theme: Institutional Changes for Inclusive and Sustainable Agricultural Development**

Institutions are the framework consisting of legal structures, customary rules, property rights, implicit or explicit contracts, and governance systems in which economic actors interact and factors of production are employed. In the context of imperfect information systems, the institutions are as important as market forces in determining performances and solving emerging non-economic problems. Simple, effective and inclusive institutions are central to achieving sustainable development goals. These are critical enablers of equity, efficiency and rational decision-making behaviour by individuals and other economic actors.

The role of institutions in agricultural development and poverty reduction has very well been recognized, particularly during the last few decades. The importance of different institutional arrangements in managing natural resources and market behaviour has been equally highlighted in the literature. These arrangements can be seen for market transactions, contracts and market failures. While the theoretical aspect and generalities of institutional changes in agriculture are discussed in the literature, less has been deliberated on its empirical part. Some of the issues that will be discussed in the conference are listed below.

#### **Land and resources**

The impact of post-independence agrarian reforms on the adoption of technology, growth, and social equity has been mixed. There is evidence of greater social equity due to tenancy reforms and the positive correlation between the progress of tenancy and agricultural production. However, the land leasing market has remained underdeveloped in the absence of legal backstopping. The lessees do not get access to institutional credit and other benefits from the Government, and also the incentives to adopt improved technology and sustainable agricultural practices. Whether and to what extent the Model Agricultural Land Leasing Act, 2016 has been and is likely to be effective in addressing these issues? Would the small and marginal farmers, having a significant share in the area leased-in, be able to get access to land. What other institutional changes are required so that it promotes the application of modern technology and sustainable use of resources, and the tenants get the benefits of government schemes.

There is no specific legal framework regarding water rights in terms of who owns the resource. With the depleting groundwater resources, inefficient use of surface water and growing distributive conflicts, the relevance of institutions dealing with water use and conservation increases. The researchers may focus on to what extent the institutions like water user associations are effective in water management, why these are performing reasonably well in some states, not in others, how these can be made more effective, or what alternative innovative institutional mechanisms are needed. Such issues pertaining to other such resources like grazing lands, forests, etc may also be highlighted. The examples could be how effective the Joint Forest Management Committees are in protecting the interest of local communities and at the same time promoting afforestation, restoring degraded forests and enhancing ecosystem services? What are the design, implementation and

benefit-sharing issues in these institutions and how can these be resolved?

### **Input markets and credit**

Due to poor bargaining power and scale, the dominant smallholders in India's agriculture face numerous challenges in accessing inputs, credit and markets, keeping them further marginalized. Institutions like Cooperatives, SHGs and Producer Companies as a collective action may compensate for lack of scale in their engagement with the market modern inputs, public agencies and production systems and hence may place farmers in a better position in the society. The paper contributors may focus on issues such as what role the joint liability groups have played in mobilizing small savings, disbursement of farm credit and strengthening farmers' linkages with banks and markets. However, evidence suggests that the success of such institutions is not uniform across regions. What factors determine the success or failure of these institutions? Why are institutions like cooperatives successful in some regions, states and sectors, not in others? What reforms are required to make them viable, independent and more competitive? Farmer Producer Organizations are in the infancy stage and no sufficient evidence is there to conclude on their success. What lessons can FPOs learn from the past and do differently? Focused papers on policy frameworks for local institutions and linkages in rural markets shall be useful.

Other important themes that will be discussed in the conference are the role of and issues related to seed and pesticide regulation aimed to improve quality standards of farm inputs; institutions promoting farm mechanization like farm machinery Banks, Custom Hiring Services; institutional issues related to governing agricultural research and management and use of technologies such as incentivizing the private sector to participate in agricultural research and at the same time protecting farmers against monopolistic behaviour private players and ensuring inclusive development.

### **IPR and technology**

Addressing the issues related to intellectual property rights and the use and protection of data has become necessary with the advancement of agricultural research, database, IOTs, Artificial Intelligence, etc. The paper contributors may highlight empirical evidence on trade-offs between commercial, environmental and socio-economic gains from new technologies and how these trade-offs can be minimized through institutional arrangements so that the benefits of commercial technologies are percolated to the millions of poor in the world and inequalities are minimized. How IPRs have improved the access of farmers to new technologies and public-private relations in R&D have changed?

The technology outside agriculture like block-chain, AI and 5G will decide future agribusiness models. Recently, the Government has made several reforms to encourage the use of these technologies, like allowing drones to spray pesticides with standard operating procedures. What is the potential of these technologies in bringing efficiency in the use of resources? What further institutional reforms and regulations are needed to encourage the use of these technologies?

### **Markets**

Market access, information and logistical infrastructure determine the income of agricultural households and incentivize the cultivation of diverse crops. Over the years, the Government has played an important role in developing and reforming the public sector and cooperative marketing institutions, including formulation of rules. Several commodity-specific institutions like Commodity Boards, Corporations (Food, Seed and Trade), etc. have been created to oversee the production, development and trade-related aspects. How have these interventions and institutional changes

influenced transaction cost, addressed the issue of information asymmetry, promoted agricultural trade and facilitated price discovery in markets? What role has the Indian agricultural commodity futures market played in price discovery and minimizing risks? Empirical evidence on the effectiveness of contract farming vis-à-vis trade in the open market in ensuring marketing, reducing risk and uncertainty for both parties may also be highlighted.

Evidence suggests that excessive regulations in the market have not only curtailed the competition, but also eroded incentives for the participation of the private sector. The Government has made several reforms to make the markets competitive and attract the private sector in infrastructure. What are the possible implications of these reforms on private investment, infrastructure and farmers' incentives? What could be the other alternative mechanism? The last one and half year period also offered an opportunity for agricultural economists to study the behavioural aspects that need to be considered while designing policies and reforms.

Research papers based on empirical analysis are invited on the specific issues like impact of institutional reforms and regulations on transaction costs in market and non-market transactions, impact of IPRs, legal reforms and fiscal incentives to promote regional and social equity, effectiveness of contracts, and sustainable use of common property resources.

### **Date for Submission of Papers**

Paper-writers are requested to follow 'Author's Guidelines' (available at [www.aeraindia.com](http://www.aeraindia.com)) and submit their papers by the end of **October 31, 2022** at [ceditoraerr@gmail.com](mailto:ceditoraerr@gmail.com) clearly indicating that this paper is for the 30th AERA Conference 2022.

Dr R.T. Doshi Foundation in consultation with the Agricultural Economics Research Association (India) awards two prizes for the best and second-best papers presented during the Conference. All the accepted papers are considered for presentation and facilities for power point presentation will be made available at the Conference Venue.