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about two  
strangers.**September 5, 2009**

## Drought Puts Focus on a Side of India Left Out of Progress

By [JIM YARDLEY](#)

PIPRI VILLAGE, [India](#) — Two very different recent scenes from India: At a power breakfast in New Delhi for many of the country's corporate leaders and top economic officials, Finance Minister Pranab Mukherjee declared that India had "weathered the storm" of the global economic crisis and was witnessing "green shoots" in industry and services that signaled a return to more rapid growth by next year.

Hundreds of miles away in this farming village in Andhra Pradesh, in the south, weeds were the only green shoots sprouting in the black soil that belongs to the widow Chandli Bai. Her field went 12 weeks without rain during India's annual monsoon season before showers finally arrived on Aug. 23, splattering down too late onto the dry dirt. Her summer crop of lentils was stillborn in the ground.

"We eat once a day," said Mrs. Bai, 65, explaining how she and her family had survived the lack of rain.

For the past year, as the economic crisis convulsed much of the world, India wobbled but never tumbled over. And now that the world is starting to pull itself out of the mire, India seems poised to resume its rapid economic expansion. Government officials are projecting that growth will reach or surpass 6 percent this year and approach 8 percent next year, almost the pace that established India as an emerging global economic power second only to China.

But the cautious optimism about the broader economy has been tempered by a historic summertime drought that has underscored the stubborn fact that many people are largely untouched by the country's progress. India's new economy may be based on software, services and high technology, but hundreds of millions of Indians still look to the sky for their livelihoods; more than half the country's 1.1 billion people depend on agriculture for a living even though agriculture represents only about 17 percent of the total economy.

No one thinks India is facing the type of famines that struck it decades ago; government grain stocks can replenish any shortfalls. But the drought has focused attention, again, on the problems facing Indian agriculture as the population continues to expand at the same time that water resources come under greater pressure.

During the 1960s, India introduced a "green revolution" that sharply improved grain output. Now, many analysts are calling for a second green revolution to address the complicated problems presented by [global warming](#), [rapidly diminishing groundwater supplies](#) and stagnant incomes for farmers.

"A lot of us have gotten carried away and forgotten these problems exist," said Bharat Ramaswami, an economist at the Indian Statistical Institute. "We need to think a little more about how this economic growth could better filter down to the poor."

Last spring, Prime Minister [Manmohan Singh](#) and his Congress Party [won a resounding victory](#) in national elections by promising to address this inequality, but the government has yet to announce major programs.

One problem now, as opposed to in the 1960s, is that there are no obvious technological breakthroughs to radically change the status quo. During the green revolution, India introduced high-yield seeds and fertilizers and expanded irrigation.

Today, the challenge is more nuanced, involving a nationwide coordination effort to improve irrigation, better capture rainwater and conserve groundwater while lifting production — the type of complicated management task that critics say is rarely the strong suit of the Indian bureaucracy.

Every summer, India awaits the monsoon. Some years bring too much rain and catastrophic flooding; others bring too little rain. This summer, rainfall is down 25 percent, and roughly half of the rural districts were declared drought zones. As production has fallen, prices have risen for staples like rice.

To the eye, the drought can be deceptive. In Pipri Village, as in other areas, greenery is evident, even as nearly every field without irrigation is stunted.

In recent days, rains have returned to Pipri and some other areas, but not in time to save the summer, or kharif, crop. Located three hours from the high-tech center of Hyderabad, Pipri is one of thousands of Indian villages decimated by the drought.

On a recent afternoon, Mrs. Bai, the widow, stood at the edge of her ragged seven acres, her toes caked in dirt as she motioned to the remains of the pyre used to cremate her husband four months ago. The family had borrowed 80,000 rupees, or about \$1,640, to treat his kidney disease; the failed crop left them without money to pay off the debt. Only one of her seven children reached 10th grade, and none can find work off the land.

“I may die before I can repay that loan,” she said.

This cycle of debt is a persistent problem, often blamed for periodic spates of farmer suicides, while the high illiteracy rate in the countryside makes it hard for farmers to switch to jobs in India’s services sector.

Before the national elections, the Congress Party announced a plan to forgive certain farm loans. Many farmers can also take part in a government employment program that guarantees 100 days of manual labor for roughly \$2 a day.

But the drought has brought renewed pressure. An hour from Pipri Village, farmers recently clamored around a dilapidated branch of the government’s Syndicate Bank. One man came because of the false rumor that farmers were receiving a 1,500-rupee stipend (about \$30). Others came looking for loans. “We need the loans to plant the other crops,” one farmer said. “They keep saying to come back next week.”

Before the drought, rural India was helping to buttress the national economy during the global downturn as rural consumption helped drive consumer spending. But parts of that demand were driven by backdated pay increases for millions of government workers. Now the government is subsidizing seeds and diesel fuel to help farmers through the drought, even as some economists worry that subsidies will worsen the federal deficit.

Too often, many analysts say, the government's response involves such short-term fixes rather than efforts to tackle the structural problems in the rural economy. [A study](#) by the International Food Policy Research Institute noted that India spent \$25 billion in 2008 on fertilizer subsidies, but only \$5 billion on agricultural investment — even though investment yields 10 times more returns.

India, analysts say, must learn to produce more food with less water, even while lifting rural education levels so that farmers can shift to the higher paying jobs at the heart of India's economic rise.

"We can manage the drought," said T. Nanda Kumar, secretary of the Ministry of Agriculture. "We have managed earlier droughts. But we need to move some people out of agriculture. I don't think that a 17 percent share of G.D.P. and a 50 percent share of employment are viable in the long run."

*Hari Kumar contributed reporting.*

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