

Capital Formation in Indian Agriculture in the Era of Economic Reforms

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Abstract

Capital Formation assumes paramount importance in the context of policy making by the State and Central Governments. It acts as an indicator in the measurement of economic growth of State. This is more important in agriculture where we are faced with the task of increasing production to keep pace with the increase in population against the odds of the vagaries of monsoon. This paper studies the capital formation in the Indian Economy during post-reform period. Though 70 percent of people depend upon agriculture directly or indirectly, India was not able to achieve 25% percentage share of GDP from the agriculture sector. It is concluded that GCFA has to be raised at least by 25% in order to have sustainable agriculture and sustainable economic development in India.