



From subsistence to market: Political economy of agricultural commercialization in tribal regions of Arunachal Pradesh

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Abstract

Agricultural commercialization is a critical dimension of rural transformation and state led development in India's frontier regions. In Arunachal Pradesh, where agrarian practices are historically subsistence oriented and embedded within tribal socio-cultural systems, the increasing integration of rural households into agricultural markets represents a significant political and economic shift. This paper examines the extent, patterns, and implications of crop commercialization among farming households in selected districts of Arunachal Pradesh East Siang, Upper Siang, and Lower Dibang Valley through a political economy lens. Using household level data and indicators such as the Household Commercialization Index (HCI), Marketability Index (MI), and Market Orientation Index (MOI), the study analyses how farm size, crop type, and state led development interventions shape market participation. The findings reveal uneven commercialization across farm categories and crops, highlighting structural constraints faced by marginal farmers and the growing dominance of cash crops. The paper argues that agricultural commercialization in Arunachal Pradesh is not merely an economic process but a governance driven transformation influenced by policy priorities, infrastructure development, and institutional support. The study contributes to debates on agrarian change, rural governance, and development policy in tribal and hill regions of India.

Keywords: Agrarian transformation, political economy, crop commercialization, rural development, Arunachal Pradesh

Introduction

Agriculture remains the backbone of rural livelihoods in India, particularly in peripheral and tribal regions such as Arunachal Pradesh. Despite rapid economic changes at the national level, the agrarian economy of the state has historically been characterized by subsistence production, limited market access, and ecological constraints imposed by its mountainous terrain. Agriculture contributes nearly 27 percent to the Net State Domestic Product (NSDP) and employs approximately 63 percent of the workforce, underscoring its centrality to the state's political economy.

The transition from subsistence farming to market-oriented agriculture represents a crucial phase in rural transformation. This transition is shaped not only by economic incentives but also by state policies, governance structures, infrastructure development, and institutional interventions. Since the early 1990s, India has witnessed an accelerated process of agricultural commercialization, influenced by economic liberalization, market reforms, and changing development priorities. Arunachal Pradesh, though a late entrant into this process, has increasingly experienced similar transformations.

This paper situates agricultural commercialization within the broader framework of political economy, arguing that market participation by rural households is deeply embedded in power relations, policy decisions, and governance mechanisms. The study examines how far farming households in selected districts have integrated into agricultural markets and identifies the structural factors influencing this process.

Theoretical Framework: Political Economy of Agrarian Change

From a political perspective, agricultural commercialization is not a neutral or purely market-driven process. Political

economy approaches emphasize the role of the state, institutions, and class relations in shaping agrarian transitions. Scholars such as Nadkarni and Vedini (1996) [8] have highlighted that commercialization often leads to differentiation among farmers, privileging those with larger landholdings, better access to credit, and stronger market linkages.

In tribal and hill economies, commercialization also interacts with traditional land-use practices, community ownership, and cultural norms. State interventions through subsidies, extension services, road connectivity, and promotion of cash crops play a decisive role in redefining production relations. Thus, commercialization becomes a site of negotiation between the state, market forces, and local communities.

This study adopts this political economy lens to understand agricultural commercialization in Arunachal Pradesh as a governance driven transformation rather than a spontaneous market outcome.

Objectives of the Study

1. To assess the extent of market participation among farming households in the selected districts.
2. To examine variations in commercialization across farm sizes and crop categories.
3. To measure the degree of agricultural commercialization using indices such as HCI, MI, and MOI.
4. To analyse the implications of commercialization for rural development and agrarian governance in Arunachal Pradesh.

Methodology

The study is based on primary data collected through a field survey of farming households in East Siang, Upper Siang,

and Lower Dibang Valley districts. These districts were selected due to their ecological diversity and varying levels of infrastructural development. Data were collected on landholding size, crop production, consumption patterns, and market participation.

To assess the degree of commercialization, three indices were constructed:

Household Commercialization Index (HCI): Measures the proportion of agricultural output sold in the market.

Marketability Index (MI): Indicates the marketable surplus of specific crops.

Market Orientation Index (MOI): Reflects the extent to which production decisions are guided by market considerations.

These indices enable a comprehensive analysis of commercialization at both household and crop levels.

Results and Discussion

1. Participation in Crop Marketing

The findings reveal that approximately 79 percent of the farming households in the study area participate in crop marketing, while the remaining 21 percent operate entirely at a subsistence level. Participation in agricultural markets varies significantly across farm sizes. Marginal farmers exhibit the lowest level of market participation, with only about 39.7 percent engaged in selling their produce.

This pattern highlights structural inequalities in agrarian systems, where access to land, capital, and infrastructure determines market integration. Larger farmers benefit disproportionately from state support mechanisms and market linkages, reinforcing existing hierarchies within rural society.

2. Crop wise Commercialization Patterns

Crop-specific analysis shows that cash crops dominate market participation, with over 62 percent of households involved in their marketing. In contrast, pulses and traditional food crops remain largely subsistence-oriented. This shift towards cash crops reflects changing policy priorities and state incentives that encourage market-oriented production.

However, increased dependence on cash crops also exposes farmers to market volatility and price fluctuations, raising concerns about livelihood security.

Measurement of Commercialization Indices

The estimated HCI for the study area stands at 64.11 percent, indicating that nearly two-thirds of agricultural output is marketed. This suggests a significant transition towards commercial agriculture. Crop-wise analysis reveals higher commercialization in cash and plantation crops, while staples such as millets and paddy exhibit low market orientation.

The MI values further confirm that crops like urad, orange, and ginger have high market potential, whereas traditional cereals remain marginal to market processes. The MOI values indicate that production decisions for certain crops are increasingly influenced by market demand, reflecting a gradual reorientation of agrarian practices.

Political and Policy Implications

From a governance perspective, the uneven nature of agricultural commercialization raises critical questions about inclusive development. Marginal farmers and subsistence cultivators' risk being excluded from the benefits of market integration due to inadequate institutional support. The findings suggest the need for targeted state

interventions that address infrastructural gaps, provide price support, and strengthen cooperative marketing mechanisms. Moreover, the transition towards commercial agriculture must be balanced with concerns for food security, cultural sustainability, and ecological resilience in tribal regions.

Conclusion

The study demonstrates that agricultural commercialization in Arunachal Pradesh is a complex and uneven process shaped by political, economic, and institutional factors. While increased market participation signals agrarian transformation and integration into the broader economy, it also exposes structural inequalities and governance challenges. Agricultural commercialization, therefore, should be understood as a political economy process that requires carefully designed policies to ensure inclusive and sustainable rural development.

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