

CRISIS IN INDIAN AGRICULTURE A TEMPORARY ECONOMIC PHASE: CRITICAL ANALYSIS OF INDIA AS A WELFARE STATE**

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Abstract

This academic paper seeks to critically analyze the present state of crisis in Indian agriculture. The startling number of farmer suicides is the ultimate result of a variety of distorted and catastrophic policies. Whether the MSP decided by the government, contributed to the farmers debt with no research on remunerative pricing based on the current market, and production costs, is a controversial issue, needing resolution. This paper analyzes whether India as a Welfare State can be justified in reality or is a mere myth, keeping the present agricultural crisis in perspective?

Introduction

‘Farmer’s India,’ (‘*Rythu Bharatam*’ or ‘*Kisan Ka Bharat*’) was the catch phrase and a manifestation that India was, not too long ago. But, today the very survival of the farmer who ploughed his land and most importantly fed the masses of India is struggling for his very survival and has knocked on all possible doors and exhausted all his remedies in trying to merely live and earn an honest livelihood. The crisis prevalent in agriculture in India today, did not come about overnight, but has been the result of governmental apathy and ill advised policies over the past two decades at least.

The Constitution of India provides for a socialist welfare state, where the aspirations of the people and what the government should aspire to provide for the people in the very ambitious Directive Principles of the State. But, the present state of crisis in the most primary sector of production in India, i.e., agriculture requires immediate action that possibly cannot be resolved merely by attempting to remind the government of its responsibility on being elected by the people. Their election manifestoes had prominently included removing agriculture from the present state of doldrums.

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Crisis in India's Primary Sector: Agriculture

Agricultural sector continued the negative growth trend last year 2009 while all other sectors showed a positive growth trend. Approximately 118 crore of Indian population depends on agriculture for their food consumption.¹ Further, the Indian agriculture also provides for animals and raw materials for the industries. Approximately 14.5 crore families are involved with agriculture for their sustenance and 12 crore agricultural labourers depend on agriculture and seasonal crops for their daily wages.² Furthermore, approximately 9.5 crore families are dependant on other allied aspects of agriculture for their livelihood.³

In 2003 when the government thought that food grains were in excess they decided to negligently dispose off 7.5 lakh tonnes into the sea.⁴ In a country where a large number of the population is well below the poverty line and a lot of the families are struggling to obtain 2 square meals this kind of massive, large scale wastage shows the utter failure of the government to even comprehend the disaster in the making. M. S. Swaminathan, an acclaimed plant geneticist who heads India's National Farmers' Commission and a pioneer of the 'Green revolution' of the 1960's has said that: "Economic growth averaging 9% a year fuelled by manufacturing and services has masked the crisis in the countryside."⁵

The disastrous state of the agricultural sector and the continuing downward trend of production are exemplified by the following figures. In 2007-2008 our government has imported 60 lakh tonnes of wheat, 35 lakh tonnes of pulses and 80-100 lakh tonnes of cooking oil. The stagnation of food output and the pervasive struggle with lack of credit facilities, crop failures and high debt have been persistent crisis that the Indian farmer and the entire agricultural sector are facing today.⁶

Industrialization Bias and the controversy about Special Economic Zones

The kind of economic input and encouragement that the government is giving to industrialists in comparison to agriculture is indeed worth

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1. Nagendranath, Erneni, Handbook published by 'Rythanga Samakhya Andhra Pradesh,' (a farmers' organization) (2010).
 2. *Ibid.*
 3. *Id.*
 4. *Id.*
 5. 'Green Revolution pioneer sees crisis in India's agriculture,' Economy and Politics, <http://www.livemint.com> and The Wall Street Journal, (Jan, 10, 2008) accessed on 24/01/2010.
 6. *Ibid.*

reporting and considering. For the development of an industry the government is providing land at a cheaper rate compared to the market rate, providing them with substantial credit facilities at low interest rates, providing concessions on interest, tax benefits and reduction where they are not expected to pay for a specific number of initial years, water and continuous uninterrupted supply of electricity.

Recently, under the controversial SEZ (Special economic zones) the industries get several more benefits for their development. In 2009-2010 government has given concessions in customs duty, excise, corporate and income tax worth 4,98,500 crore reduction and even did away with the surcharges on corporate tax. Recession packages for industries in addition to the above is 1,66,000 crores.⁷ Just as the Chinese inspired SEZ's for industry impetus are being championed by the government, M.S. Swaminathan is of the opinion that rings true in the present agricultural crisis is that Special Agricultural Zones to regiment and improve agricultural produce and reduce widening disparities to urgently save the Indian agriculture sector facing extinction, should be the government's urgent priority, along with administrative support, infrastructure and market support.⁸

When it comes to agriculture, there are several restrictions that agriculturists have to follow, i.e., a land ceiling at 25 acres for wet land and 54 acres for dry land, which is not scientific at all, whereas hypocritically the industries have no restrictions on the amount of land they can own. Furthermore, other than the fertilizer subsidy there are no other facilities that the government is ready to give agriculturists. No viable credit facility.

In the midst of widespread protests against the SEZs in the face of stagnation in agriculture, where food grains are being imported, the present global picture that India paints for the world is that of 'Shining and prosperous India,' renowned for its science and technology, but the simmering discontent of the masses involved with the present disastrous state of agriculture is being shrouded and ignored by the government.⁹

The SEZ Act of 2005 notified about 400 economic zones, most of which were fertile agricultural lands for the purpose of commerce and industry. It has been estimated by Khasanoki a writer that about 5 million hectares of land has been acquired by the government for purposes other than agriculture during 1991-2003, which is almost half of what was acquired

7. *Supra n. 1.*

8. *Supra n. 5.*

9. Aerthayil, Mathew, 'Agrarian Crisis in India is a creation of the Policy of Globalization,' Mainstream Weekly, Vol. XLVI, No. 13, (March 15, 2008), accessed on 15/10/2010.

in the past 40 years before 1991.¹⁰ This is proof of the blatant manner in which the government is resorting to taking away the right to life including livelihood of the poor farmers by leaving them with no hope of rescue.

The Infamous Minimum Support Price (MSP) and its Negative Implications

Industrialists or even small businessmen calculate the market price of their products based on their cost of production, other expenditures and the market trend all by themselves, whereas, in case of agriculture, the agriculturist is forced to follow the unscientific MSP (minimum support price) which has no relation to the real costs of production of an agriculturist and is completely unviable for the agriculturist who is forced to sell through middlemen, profiting them at the expense of the agriculturist. The MSP is a standardized price predetermined by the government that lays down the price at which the farmers are allowed to sell their produce in the marketplace. It is also an avenue through which the government seeks to procure the produce from the farmers for redistribution. But, since globalization the government is procuring less and less from the farmers, and continues to fix the MSP giving no indication of the data or the statistics based on which it is fixing the price, resulting in a completely unscientific and unremunerative support price to the detriment of the farmers.

The fact that the MSP is inadequate to sustain the farmers and their ever increasing costs of production due to lack of subsidization or any other institutional help or financing is indicative of the fact that the government has to either abandon the concept of the MSP and let the market trends and the real costs of agricultural production decide the prices, or should reinvestigate their data and fix the MSP based on the realities of the situation of the farmers and agriculture in India.

The step motherly treatment of the government towards agriculture is blatantly evident from the fact that the recommendations in the 2006 report of the National Farmer's Commission headed by acclaimed agriculture scientist Dr. M.S. Swaminathan have not been considered by the government to date. In the report Dr. M.S. Swaminathan recommended that the government should add 50% to individual agricultural costs of production and decide the MSP to make it viable and sustainable for the farmers, as support price, but, neither the recommendation nor the report has been heeded by the government.¹¹ The government is putting severe restrictions on the price of food grains, in order to control inflationary trends.

10. *Ibid.*

11. *Id.*

In the process it is setting an unscientific MSP with no consideration to the real costs of production of agriculturists thus directly depriving them of their right to life and livelihood. The hapless farmer is in a situation where the government is neither supporting his efforts to feed this country but also depriving him of the ability to earn an honest livelihood and care for his family. The MSP is also a mechanism through which the government procures food grains from the farmers. But, post reforms and globalization the procurement of the government has been nominal, hardly 15% to 20%,¹² while it insists on setting the MSP, even if it is unscientific and actually harms the farmer.

Another surprising and blatant hypocrisy of the government is evident from the fact that when a farmer decides to sell his land he is expected to pay a 10% registration fee and food grains are taxed at 10% as well. Whereas, the tax for gold and jewelry is only 1%.¹³ A surprising analogy begging for the reader to contemplate!

The annual income of an average farmer is anyways seasonal and just enough to meet his basic needs, being very minimal. Here the farmer has to meet the costs of production, expenditure on agricultural animal breeding and upkeep, family expenses, dependants, education and health expenses, travel expenses and other emergency requirements. Unable to meet all these expenses and repay high interest agricultural loans with his extremely moderate and presently insufficient income the farmer is in dire straits and resorting to extreme steps like suicide.

Globalization- Death Knell to ‘comparative advantage?’

60% of the Indian population is dependent on agriculture, but the government keeps ignoring it. India embraced globalization and liberalized its markets in the early 1990s. The signing of the World Trade Organization (WTO) agreements, particularly the Agreement on Agriculture, was the cornerstone that totally transformed Indian agriculture, for better or for worse is anyone’s guess.

India has always been a forerunner along with Brazil in all the WTO discussions beginning from the GATT era about 47 years before the WTO came into existence. India was also extremely proactive in negotiating and representing the demands and needs of the developing economies, especially relating to the policy of protectionism in relation to primary products by refusing to engage in agreement negotiations on Services, Intellectual

12. ‘Agricultural Crisis and Farmers’ Suicides,’ www.indiacurrentaffairs.com, (July 8, 2009) accessed on 15/10/2010.

13. *Supra n. 1.*

property etc., until some resolution was achieved on primary products.¹⁴ When the west especially the USA and also EU not only wanted uniform reciprocity and complete liberalization, but also wanted to obsessively protect and subsidize their primary industries, while demanding that the developing countries liberalize their own economies, India was at the forefront negotiating and demanding special and differential treatment to be given to developing countries taking their developing country status into perspective.

India along with Brazil and other developing countries pushed through a hard bargain where they not only successfully managed to open up the western markets for the export of primary products, especially food grains and other allied products into the west along with completely reducing their tariff and non tariff barriers, but also managed to incorporate 'Part IV,' into the WTO final agreement and other measures especially for the benefit of the developing countries to overcome the negative balance of payments.¹⁵

India, essentially through its negotiations in the WTO managed to get for the developing countries their 'natural comparative advantage,' in producing and exporting primary products all over the world with adequate encouragement and help from the respective governments. Essentially the principle of 'comparative advantage,' was the foundation of the erstwhile GATT and the present WTO, where each country that was part of the WTO would not only grant 'most favoured nation'(MFN) status and give national treatment to every other country, but would also encourage the export and import of products from those countries that had a natural comparative advantage in a particular industry because of their ability to produce in that industry that is complemented by the natural resources and the genuine inclination and ability of the people of the said country to produce.

The Agreement on Agriculture that was part the agreements of WTO that was signed by India required a phasing out of protectionism until 2005, not the complete unabashed opening up of the agricultural sector under the guise of globalization and privatization, without any cover for the Indian farmers, rescinding public investment in agriculture, withdrawing of credit facilities and distribution systems that were not efficient to start out with and leaving the Indian farmer at the mercy of international agricultural corporations that are surely putting a death knell to Indian agriculture as it was.

14. Lowenfeld Andreas F., 'International Economic Law,' International Economic Law Series, Oxford University Press, (2002), pp. 61-62.

15. Ismail, Faizel, 'Rediscovering the Role of Developing Countries in GATT before the Doha Round,' (RIS DP # 141), Research and information Systems for Developing Countries, (September 2008), www.ris.org.in/dp141_pap.pdf, accessed on 21/11/2010.

The Indian government has today completely undermined the policy of 'comparative advantage,' as understood in the WTO by adopting policies that destroy the Indian agricultural sector. India as a nation is believed to have an extremely strong natural comparative advantage in the large scale production of basic food grain crops like rice (paddy), wheat, cotton and different kinds of oils. But this comparative advantage and the special and differential treatment that the developing countries negotiated so hard during the WTO negotiations is being eradicated through faulty import-export policy in relation to food grains.

According to Dr. Aerthayil, with the introduction of Structural Adjustment Policy (SAP) in 1991 the Indian government was obliged to follow the directives of the World Bank, International Monetary Fund and the WTO that required uniform MFN status and more importantly trade liberalization, where the economic policy of countries would require drastically reduced tariffs and import barriers.¹⁶

Today, the government is importing agriculture produce without imposing any duties and at the same time, government is restricting our produce by severely restricting our exports. Due to this the agriculturists are suffering huge losses. An example of this trend is that in 2007 wheat per kilo was exported for Rs. 7.46/- and the very same year due to shortage they have imported wheat at Rs.16/- kg.¹⁷ This shows our government's complete failure and disregard towards farmers' futures. India is today in a shameful position where it is quickly turning into a net food importing nation from being in the envious position of one of the global leaders of agricultural exports.

On account of Globalization and the fact that India is a signatory of the WTO and is as a result bound by its commitments relating to MFN status and other basic principles of WTO, she is not imposing any anti dumping duties even though, it is within the purview of WTO's regime of special and differential treatment as far as developing countries are concerned. On the contrary she is charging no duties on the massive amount of agricultural imports for extremely high prices, thereby debilitating the agricultural economy in India and causing grief to the farmers. This is in stark contrast to the massive subsidies given by the governments of countries in the west, especially the USA and EU to their agricultural sector which

16. *Supra n.9.*

17. *Supra n.1.*

has created an 'artificial' comparative advantage in those countries whereby they are able to produce massive amounts of food grains and other crops even when they were not naturally inclined or positioned to do so and export or dump them into developing countries at excessively high prices, particularly India, being our focus.

The central budget today is 10 lakh crores, but a meager 11,000 crores has been allocated to the agriculture sector.¹⁸ This is the situation when more than 60% of the people in India receive their sustenance from agriculture. During 1950-1980 there was gradual increase in food grain production, leading to self sufficiency and status as a prime exporting nation. But 10 years post liberalization, the gradual decrease in food grain production has led agriculture's share of the GDP approximated as part of the tenth five year plan to be less than 1%.¹⁹

Thus, the WTO that mandated the liberal import of agricultural products and mandatorily obliged import barriers in the form of tariff and non tariff trade barriers removed, resulted in the direct reduction of domestic agricultural production and consumption, as cultivation itself started to prove unprofitable.

Helpless Dependence on Monsoons

Indian farmers' infamous struggle with the rains is well known and continues to be a matter of concern every year in the monsoon season. India is a country with several important rivers that irrigate the lands, but unfortunately these rivers have not been utilized in a manner that will afford Indian farmers certain irrigation facilities even when the monsoons fail them. Even without the full use of the rivers, irrigation facilities in India are not developed to support the growing requirements of the Indian population and if the lack of irrigation facilities are added to the increasing woes of the farmers due to governmental indifference, dangerous policies that are certain to bring about the end of agriculture as an important sector in India, Indian farmer has no other alternative but to commit suicide.

According to the International Water Management Institute's report, an urgent updating of the ancient irrigation system is required to face the challenge of feeding an extra 1.5 billion people by 2050 in Asia and India would most likely have the biggest share of this informed prediction.²⁰ According to Mr. Colin Chartres,-

“There's very little land...it's all being used. You cannot expand
literally, therefore you have got to increase productivity on

18. *Supra* n.1.

19. *Supra* n.9.

20. I.Nagpal, Deepak, 'A Dried-up India and an Agricultural crisis, www.zeenews.com, (September7, 2009) accessed on 18/11/2010.

existing land and it is easier to increase productivity with irrigation than it is by rain-fed agriculture.”²¹

Erratic power supply only adds to farmers’ woes as access to water from water bodies and running of irrigation facilities such as bore wells etc., are all dependant on power supply. The pattern followed by the government is actually biased where new industries are provided with uninterrupted power supply while farmers’ do not know in which crucial period of production the power will be cut off. There has been a lot of hue and cry about the unfairness of the erratic power supply where some villages have been forced to go without any kind of power supply as long as almost 15-20 days!

India’s south-west monsoons contribute to 1/6th of the country’s GDP from agriculture. Therefore failed monsoons mean that approximately 60% of India’s farmers depending on rains for agriculture take a severe hit where chief crops like rice, soybean, sugarcane and cotton are severely affected, which has in turn raised the prices of commodities like vegetables or pulses to more than 300% this present year compared to 2008-2009, and has created an ironical situation where in spite of inflation being in the negative, for most of rural and middle class India, choosing to consume vegetables or pulses has become a ‘luxury,’ followed by the fact that the 2009 drought affected the production of rice, which led to the staggering decline of 10 million tonnes from the previous year’s 100 million tonnes.²²

Vicious cycle of Debt and lack of Credit

The most important factor contributing to the mass farmer suicides in our country over the past at least 12 years that has increased over the past few years is lack of support in the form of viable credit facilities from the government. Farmers are forced to resort to seeking the help of moneylenders who in turn exploit the farmers by demanding quick return of principle investment at high rates of interest.

Financial institutions do not exceed 25% of farmers’ credit necessities. The drastic shift in lending patterns of financial institutions has resulted in institutional finance being extended only to high-tech agribusinesses, biotechnology and private companies chiefly owned by wealthy farmers at the expense of small and marginal farmers, who are in dire need of institutional financing and for the government to come forward to help them

21. Director General of International Water Management Institute, while talking about the non feasibility of expanding rain-fed agriculture.

22. *Supra n. 20.*

in some small way, especially since the farmers are in a vicious circle of cyclical debt trap with the virtual extinction of cooperative credit institutions.²³

Adding to the complete withdrawal of credit facilities is the alarming reduction of government investment in agriculture, with the government choosing to adopt a minimum interventionist approach to coincide with globalization and privatization. The government investment reduced from an average of 14.5% during the period of 1986-1990 to 6% during the period of 1995-2000.²⁴ Furthermore, from the time economic reforms started, the rate of growth of irrigated lands reduced from 2.62% to 0.5% post reforms, directly affecting the farmers by drastically reducing their purchasing power and standard of living, pushing them further into poverty.²⁵

Reduction and Relinquishment of Control in Agricultural Subsidies

Fertilizer subsidy is presently the only minor subsidy that the government is ready to provide for the farmers, but it is not without loopholes and extensive corruption. The subsidy provided by the government is at a drastically reduced rate and is hardly enough to cover the costs of obtaining them for large scale use. Pesticides have no subsidy governing them and are obtained by the farmer in the free market at exorbitant prices.

According to Ramesh Chand, an economist, “cutback in subsidy and control of fertilizers over the last few years has adversely affected the agricultural sector. It has increased the input costs and made agriculture less profitable, which is also directly related to globalization.”²⁶ The problems are compounded by the fact that due to lack of proper regulation and oversight by the government departments, the farmers are forced to encounter spurious products especially pesticides that are under the control of multinational corporations, who do not test their effectiveness either in preventing crop damage or from an environmental perspective. Spurious fertilizers and pesticides have been reported to be one of the primary reasons of farmer suicides as farmers spend excessive amounts of money on their purchase, only to find them not being effective.²⁷

Right to Life and Livelihood under Article 21 of the Constitution

Article 21 of the Constitution says that: “No person shall be deprived of his life or personal liberty except according to procedure established by law.”

23. *Supra n. 12.*

24. *Supra n. 9.*

25. *Supra n. 9.*

26. *Supra n. 9.*

27. *Supra n. 12.*

After the decision in *Maneka Gandhi's*²⁸ case, the right to life and personal liberty of a citizen is protected not only from Executive action but from Legislative action as well. A person can be deprived of his life and personal liberty if two conditions are complied with, *first*, there must be a law and *secondly*, there must be a procedure prescribed by that law, provided that procedure is just, fair and reasonable.²⁹

Ironically, the above holding is applicable in the present case, as the deprivation of right to life and livelihood of the farmers is not based on any fair set of directives as the policies under which a farmer is forced to operate are in turn bringing about his abject downfall, pushing him further into poverty and providing him with no compensation or ability to continue to have any kind of livelihood.

In *Olga Tellis v. Bombay Municipal Corporation*, a five judge bench of the Supreme Court has finally ruled that the word 'life' in Article 21 includes the 'right to livelihood,' also. The court said:

It does not mean that life cannot be extinguished or taken away as, for example, by the imposition and execution of death sentence, except according to procedure established by law. That is but one aspect of the right to life. An equally important facet of that right is the right to livelihood because no person can live without the means of livelihood. *If the right to livelihood is not treated as part of the constitutional right to life, the easiest ways of depriving a person of his right to life would be to deprive him of his means of livelihood. In view of the fact that Article 39(a) and 41 require the State to secure to the citizen an adequate means of livelihood and the right to work, it would be sheer pendentary to exclude the right to livelihood from the content of the right to life.*³⁰

In a significant judgment in *D.K. Yadav v. J.M.A. Industries*,³¹ the Supreme Court has held that *the right to life enshrined in Article 21 includes the right to livelihood* and therefore termination of the service of a worker without giving him notice or a reasonable opportunity to be heard, is arbitrary and illegal. Even when there is adequate evidence giving grounds for termination, no worker can be terminated without following a prescribed procedure that should satisfy the requirements of Article 14 and must not be arbitrary, lacking in reason, fanciful or oppressive. In short it must be in conformity with the rules of natural justice, Article 21 clubs life

28. *Maneka Gandhi v. Union of India* AIR 1978 SC 597.

29. *Ibid.*

30. AIR 1986 SC 180; (1985) 3 SCC 545.

31. (1993) 3 SCC 258.

with liberty, dignity of person with means of livelihood without which the glorious content of dignity of person would be reduced to animal existence.³²

The above holding is in stark contrast to the Supreme Court's previous holding in the landmark judgment, in *Delhi Development Horticulture employee's Union v. Delhi Administration*,³³ where the Supreme court essentially held that although right to livelihood is a logical necessary corollary to right to life, this right has so far not been incorporated in the constitution as a fundamental right, as India has so far not obtained the capacity to guarantee it under the constitution. The court further went on to state that because of the inability of the government to guarantee right to livelihood, it has been placed in the chapter dealing with Directive Principles, Article 41 which puts forth the aspiration that it is the state's responsibility to make effective provision for securing a livelihood, "within the limits of its economic capacity and development."³⁴

The above contrasting decisions in a matter of one year by the Supreme Court is evidence of fact of the realization made by the Supreme Court of the importance of the right to livelihood and to earn a dignified living. It is justification of the realization made by the Supreme Court that although in their opinion India may not be able to guarantee a right to livelihood, the very right to life would be by all means incomplete and hollow without the provision that guarantees the right to livelihood that is an inclusive part of the right to life itself. Hence, now the right to life includes the right to livelihood and the farmers are positively being deprived of their right to earn a livelihood with credit facilities withdrawn, forced to sell food grains at an unscientific support price, lack of public distribution channels, deprivation owing to globalization and privatization, erratic monsoons and finally no rescue for the hapless farmer from the government.

Right to Life (livelihood) in present day 'Welfare state'-Myth or Reality?

The Directive Principles are the ideals that our government aspires to abide by and to manifest for its citizens in the form of laws, policy implementations for their welfare. The directive principles are certain political, social and economic ideals that are representative of India as a country based on its history and social fabric, which the government has to consider in every context, be it a legislative or an executive decision for the benefit of the people.

32. J.N. Pandey, 'Constitutional Law of India', 42nd ed.2005, p. 224.

33. AIR 1992 SC 789.

34. *Supra n.* 32, p. 224.

Dr. B.R. Ambedkar aptly describes the objectives of the welfare state as follows in his speech in the Constituent Assembly. He said:

[....Now, having regard to the fact there are various ways by which economic democracy may be brought about, we have deliberately introduced in the language that we have used, in the directive principles, something which is not fixed or rigid. We have left enough room for people of different ways of thinking, with regard to the reaching of the idea of economic democracy, to strike in their own way, to persuade the electorates that it is the best way of reaching economic democracy, the fullest opportunity to act in the way in which they want to act.

.... our object in framing the Constitution is really two-fold (1) to lay down the form of political democracy and (2) to lay down that our ideal is economic democracy and also to prescribe that every Government whatsoever is in power, shall strive to bring about economic democracy.]³⁵

The above sentiment exemplified by Dr. B.R. Ambedkar during the Constituent Assembly debates is clear indication of the amount of importance he gave to Directive Principles, acknowledging at the same time that though they were aspirational in nature they could not be disregarded as the object of our democracy is not only political democracy but economic equality and democracy as well. He enunciated the importance of describing India as a welfare state where the state strives to implement policies keeping the economic and social progress of the people in mind. Therefore, when India calls herself a Socialist welfare state, it is true indication of its status as such, only when the government's policies are directed towards the welfare of its masses.

In *Maneka Gandhi's*³⁶ case delivering the majority judgment for the Supreme Court, Bhagwati, J., asked- *Is the prescription of some sort of procedure enough or must the procedure comply with any particular requirement?* He then held that any procedure interfering with the right to life under Article 21 should be in conformity with equality omnipresent under Article 14 and should be reasonable with complete lack of non arbitrariness, where reasons are self explanatory or cogently explained in conformity with Article 17 of the Constitution.³⁷

Thus the right to life and specifically livelihood under article 21 is clearly applicable in the present case to farmers due to the fact that their livelihood which is guaranteed by the constitution of India is in jeopardy.

35. Constituent Assembly Debates, Vol.III., pp. 494-95.

36. *Supra n. 1.*

37. *Supra n. 32*, pp. 218-219.

They have been deprived of all benefits, institutional help and are now essentially at the mercy of market forces, coupled with the fact that the country is being flooded with imported food grains when our own domestically produced food grains are rotting owing to lack of public distribution facilities, and corruption of the government officials.

India is essentially an agricultural economy, which has been so since the time of pre independence. Our country's proclivity for agriculture and its natural advantages were well recognized and a golden era in agriculture was assured in the 1960's due to the 'Green Revolution,' where the planting of high yielding wheat and rice resulted in the most dramatic successes in the history of world agricultural economy turning India from a struggling nation to a dominant player in the food export market. But, the fact that today an Indian farmer is not even having his basic needs met, by the government to continue farming, is indication of the dire state that agriculture is in today.

According to Dr. M.S. Swaminathan, "they (farmers) are cynical and diffident about the way politicians and governments deal with them. They are no longer enthused to take farming seriously."³⁸ Farmer suicides have today become common place and the government has not taken any steps to prevent them by granting the farmers some hope or relief in the form of agriculture friendly policies.

Rural sector employs about 60% of the Indian population and currently that population is left without any means of survival or subsistence. Agriculture is seasonal anyways and the people hit the hardest are farm labourers. Rural employment reduced from 2.07% in the 1980s to 0.66% during 1993-2000, post liberalization.³⁹ The current crisis in agriculture is in fact adding to the already prevalent unemployment in India. Critics of rural labourers and small farmers are of the opinion that more people than needed are actually involved with farming giving rise to hidden unemployment. But, the fact of the matter is that today even minimal employment through farming and agriculture has become extremely difficult.

An example cited is the launch of the multibillion dollar welfare drive promising 100 days of work for every rural family to battle poverty in the rural sector, which was a miserable failure, where only approximately 3% of households targeted received the in famous 100 days of employment and many for only about 2 weeks. A six month internal audit of the

38. *Supra* n.1.

39. *Supra* n.1.

programme produced several instances of corruption, inefficiency and funds misuse.⁴⁰

Considering all the above circumstances, I respectfully put forth that the idea of India as a welfare state is today indeed a myth and not a reality. The reality of seeing India as a true socialist-welfare state where all the citizens are adequately provided for was far from reality to start out with, but the present crisis does not bode well to achieving that aspiration even in the distant future, if urgent measures to rectify the situation are not taken by the government.

According to P. Sainath, an eminent journalist and writer, on changing nature of development debate on food, hunger and rural development-

“An incentive to repay loans on time - which millions of farmers cannot do - is being passed off as an additional subsidy to the *aam kisan* in this budget. And there is still an air of self-congratulation on the Rs. 70,000-crore farm loan waiver of 2008. A one-off waiver that comes once in so many decades. Yet revenue foregone in this budget in direct tax concessions to corporate tax payers is close to Rs. 80,000 crores. It was over Rs.66,000 crores last year. And Rs.62,000 crores the year before that. In all, Rs. 2,08,000 crores of direct freebies in 36 months.”⁴¹

Mr. P. Sainath rightfully stresses on the injustice meted out to agriculture when the industries get the bulk of financial support at the expense and sacrifice of the most primary sector in India- agriculture. It is indeed astounding that there should be any question as to the necessity of the farm loan waiver of 2008, which was in fact late in coming. The growth rate of industrial sector, information technology and other allied sectors is approximately 12% to 16% whereas agriculture sector is 0.2%. Industrialists and other businessmen are sanctioned indiscriminate amounts of money in the form of loans or grants as and when they require by the government, but agriculturists get only Rs. 10,000/- for an acre and that too only after the government or the loan sanctioning authority has taken title deeds to the land as security, essentially forcing the farmer to mortgage the land. In the last 10 yrs., approximately 2 lakh farmers committed suicide, and there is no one to hear their cry for help or merely to have a chance to lead a

40. *Supra n.1.*

41. P.Sainath, 'Yet another Pro farmer budget,' www.indiatogether.com (March 4, 2010) accessed on 18/11/2010. 42. Question propounded by Mr. Bollu Narsimha Reddy, a farmer's rights activist, during a speech given in November 2010, as part of the 'Lok Satta' enabled farmers movement in Andhra Pradesh.

decent life and make a decent living. Is it premature to say in the face of so much evidence of governmental apathy that the government is essentially abetting farmers' suicides?⁴²

Concluding Recommendations

The provision for seeds is extremely important to the farmers, especially high yielding and hybrid varieties that increase production. Government is supplying not even 10% of the seeds required owing to liberalization and privatization, and the prior supply of seeds by State Agricultural Universities and departments in crops like cotton, chillies and vegetables have become extinct.⁴³ Private suppliers sell them at exorbitant prices added to the fact that the seeds are spurious and adulterated, and the farmers were not given any form of compensation when the seeds they were forced to buy from private suppliers turned out to be spurious and damaged crops. Corruption, black marketeering is rampant and good seeds hardly ever seem to be reaching farmers. It is recommended that the government should revamp their seed distribution machinery and provide for government subsidized seeds that reach the farmers through proper distribution channels, with no middlemen and to stem the corruption that has become prevalent and provision of the seeds should be in time for the farmer to use them.

Credit facility for all farmers at low interest rates through institutional finance is absolutely necessary to remove the ongoing dangerous crisis in agriculture in India. According to M.S. Swaminathan, the interest charged should be at a low 4%.⁴⁴ Appropriate credit facilities through financing at low rates of interest by nationalized banks giving farmers enough time to be able to repay them from the sale of their harvest is crucial to saving the farmers from more suicides owing to vicious cycle of bad debts.

Fertilizers and pesticides should be provided by the government at subsidized rates so that the farmers do not have to go through private sellers and be defrauded and stranded with spurious materials. The government should set up proper machinery to enable farmers to obtain good seeds, fertilizers and pesticides without having to worry about corrupt practices or spurious products, through international standardization of products and a strict oversight and regulatory body to over see their functioning.

42. Question propounded by Mr. Bollu Narsimha Reddy, a farmer's rights activist, during a speech given in November 2010, as part of the 'Lok Satta' enabled farmers movement in Andhra Pradesh.

43. *Supra* n. 12.

44. *Supra* n. 9.

Agriculture mechanization, starting with proper irrigation facilities should be a priority for the government to increase production and reduce dependence on uncertain monsoons.

The Public Distribution system (PDS) is in dire need of overhauling and fresh impetus from the government. The PDS is divided into 'Below poverty line' (BPL) and 'Above poverty line,' (APL). This differentiation has in recent times made agricultural goods expensive, when sold even through ration shops and subsidized owing to the staggering increase in costs of production in agriculture.⁴⁵ This has led to accumulation of food grains in godowns with no buyers, where the food grains are rotting and the government that procured them is not open to distributing it to the hungry masses not able to afford the food grains. A systematic and detailed system of distribution of food grains should be reintroduced, so that the farmers do not have to deal with middlemen or be forced to sell their food grains in open markets at prices much lower than their investment.

Crop insurance or lack of it is an important issue that the government has failed to address or implement in India. There is hardly any crop insurance and the barely available crop insurance covers hardly 10% of the crops.⁴⁶ This year there has been an excess of rainfall with flooding in several states, where the rains actually destroyed crops ready for harvest. The farmers lost tremendously due to this event with the government not coming to their rescue anytime soon. Farmers need to absolutely be protected from such calamities as drought that has plagued India for the past few years and the floods that have been evident this year. Crop Insurance schemes should be religiously and effectively implemented to protect against declining productivity, crop failures from droughts, floods and other calamities. This is an important means to stop farmer suicides as he will have been protected in any eventuality.

Either MSP has to be done away with, or it should be decided on scientific basis based on practical implications of cost of production, which will enable the farmers to get remunerative prices, and the recommendations of MS Swaminathan and his Commission should be implemented. Importantly, agriculture is the most primary and essential sector in India and the government cannot ignore that or take the approach of 'a horse with blinkers,' anymore. Merely because in the past few decades information technology and industries have afforded more profits does not mean that the most primary and basic sector should be undermined. Had agriculture

45. *Supra n. 9.*

46. *Supra n.12.*

47. *Supra n. 9.*

48. *Supra n.1.*

been given similar incentives and impetus as IT and industry, we would have seen the same kind of booming profits that marked the golden era of the 'Green Revolution.' Therefore, it is high time that agriculture be given the same kind of impetus as industry through various government sponsored programs.

The ill effects of globalization and WTO should be reversed and implemented in the manner that was actually the initial aim of WTO, i.e., to safeguard the natural comparative advantage of member countries. The special and differential treatment provisions in favor of developing countries should be utilized and our natural comparative advantage in agriculture sustained and renewed. Restrictions in the form of tariff and non tariff barriers should be reinforced and the agenda of the WTO should be carefully introduced keeping India's special interests in mind. WTO required restrictions to be 'phased out,' over a period of time, but the special needs of India as a developing country should be considered and the policy of special and differential treatment should be used to increase and encourage export and reduce imports of primary products.

According to Dr. M.S. Swaminathan

In a country where 60% of people depend on agriculture for their livelihood, it is better to become an agricultural force based on food security rather than a nuclear force.⁴⁷

If you compare an employee in any sector and a farmer there is a lot to be wanted. Employees get benefits and raises based on inflation, have fixed hours, credit facilities and housing loans, retirement at 58 years of age, pensions thereafter, provident funds, gratuities and all kinds of other benefits while working, in the form of traveling allowance, scheduled number of holidays that only increase with the number of years of service etc. But, a farmer has none of these.

The UPA government came to power just as very previous government on the manifesto of 'Garibi Hatao,' 'Aam Aadmi and Kisan' slogans, but our Prime Minister Manmohan Singh himself at a recent press conference was of the ill informed opinion that the dependence on agriculture for employment should be reduced from 60% to 15%-20%.⁴⁸ In a country like India where the very sector of agriculture is today in dire crisis, where will the 'barely employed' farmers go? A farmer who sweats and slogs in the fields to feed us and his family, can lay claim to no such luxuries as other employees. In fact he has to deal with seasonal

uncertainties, crop failures, small incidental expenses of modernization like travel or modern implements for better production, deaths in the family, education, and sustenance of family and can never retire...Is it fair that we deprive him even of the basic necessities to make a decent livelihood? 2009) accessed on 18/11/2010.