

Understanding the Crisis in Indian Farm Sector

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Abstract

Agriculture dictates the trajectory of economic growth. The secondary and tertiary sectors, which have enormously grown in past decade, are relied on primary sector, of which agriculture is main component, for its robust growth. Farming and allied activities provides the necessary momentum required for economic growth. Agriculture is the prime source of livelihood to millions of Indians who are scattered across the vast rural hinterland of the country. However, Indian agricultural economy is at crossroads. It has been passing through a phase of stagnant productivity, increasing costs, declining returns and squeezing employment. Trade liberalization and globalization has further worsened the state of agricultural sector. The deepening agricultural crisis, failure of formal credit institutions and growth of non-formal credit sources has lead to increase in incidence and extent of indebtedness among farmers across states in India. Increasing indebtedness has been cited as one of the

important risk factors associated with suicide of farmers (Bhalla et al, 1998; Dandekar et al, 2005; Mishra, 2006). According to NSSO (2005) data, as many as 48.6 percent of farmer households are indebted in the country. Households with 1 hectare or less land accounted for 66% of all farmer households and about 45% of them were indebted. According to an estimate, 2, 70,940 Indian farmers committed suicide in the last one and a half decades (from 1995 to 2011), and among the states, Maharashtra, Andhra Pradesh, Karnataka and Punjab have the undesirable distinction of being in the forefront (Sainath, 2010).. The major reasons behind the suicides in the state were indebtedness, economic hardship and crop failure (AFDR, 2000). The research paper analyses the crisis of indebtedness, suicides, economic liberalization and increasing feminization impacting the productivity and sustainability of Indian farm sector.

Key Words: Indebtedness, climate change, feminization, suicides, marginal farmers