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We hear often about India as a country with a very high economic growth, a country with the highest numbers of billionaires in Asia, and a country of world renowned information technology. But we do not hear enough about the serious problems in agriculture. With the globalisation policy adopted in 1991, the government started reducing its investment in agriculture and the industrial sector allowing the private sector to take over. The restructuring of the public distribution system really affected the availability of foodgrains to the poor at subsidised rates.

All such measures had implications for the farm sector. Decline in growth rate of foodgrains: In 1980s, while the growth in agricultural output was as high as 4% p. a.

, causing self-sufficiency, in the liberalisation period (1993-2000) the rate of growth fell to 2% p. a. The rate of growth of the GDP in agriculture and allied sectors was just 1% p. a. during 2002-05, causing a decline in per capita availability of foodgrains; the growth rate of population became higher than that of foodgrains, and India started to import foodgrains at a much higher price than that in the domestic market. Unemployment: Unemployment in the agricultural sector increased during the reform period as agriculture was not profitable due to the fall in the price of farm products.

As a result, the number of people employed in cultivation fell, which in turn caused a decline in rural employment. The annual rate of growth of the employment in the rural areas was 2.07% in 1987-1984, while it declined to a mere 0.66% in 1993-2000. Even the Dalits and tribals, who heavily depended on agriculture, suffered. Farmer Suicides: When agriculture was

not yielding remunerative income, the life of the farmers became very desperate. Many of them committed suicide as a last resort. According to the National Crime Records Bureau, 17, 060 farmers committed suicide in the country in 2006 with Maharashtra having the highest number of (4453) suicide deaths.

It points to the acute nature of the problem which has affected the vast majority of the population, and which has created a real crisis. The agrarian crisis is really the suicide of farmers. The reasons for this agrarian crisis are enumerated as follows: Liberal import of agricultural subsidies: The main reason for the crash of prices of agricultural products, especially of cash crops, in India was removal of all restrictions to import these products.

When the Indian Government reduced the import duty on tea and coffee from Sri Lanka and Malaysia, their prices in the domestic market got reduced drastically. Thus cultivation of such products became unprofitable and so their production was fully or partly stopped. Since the removal of quantitative restrictions and lowering of import duties were according to the restrictions of the World Trade Organisations (WTO), the crash in the prices of agricultural products is directly related to the liberalisation policy of the government. Considering the export aspect, very little was and is being done to promote agricultural exports to increase employment and income.

Lack of easy and low cost loans: After 1991, the lending pattern of commercial banks, including nationalised banks, to agriculture drastically changed with the result that loan was not easily available and the interest was not affordable. This has forced the farmers to rely on moneylenders and

thus pushed up the expenditure on agriculture. When the farmers were not able to pay back loan with high interest, they fell into the debt trap. Studies show that most of the farmers' suicides was due to the debt trap.

It is part of the policy of privatisation that banks, even nationalised banks, look for profit over their social responsibilities to the people. The indebtedness of farmers increased from 20% in 1981 to 27% in 2002. The share of moneylenders, having fallen from 69.7% in 1951 to 16.1% in 1981, began rising and reached 27. % in 2002. Moreover, the debt financing was used more for household purposes than for production.

Decline in Government investment: The gradual withdrawal of the state from active participation in development activities has resulted in a steep decline in public investment in agricultural infrastructure in general, and in agricultural science and technology in particular. This has resulted in stagnation of agricultural R&D, deterioration of rural infrastructure and neglect of extension services. **Rapid environmental degradation:** Another major factor contributing to the crisis, is ecological degradation.

Anthropogenic activities such as reduction in soil fertility, overexploitation of underground water and natural calamities such as droughts, famines etc. have a major role to play in farmer suicides. The increasing pressure on land resources is accompanied by severe stress on water resources, due to unequal regional distribution of water. **Myopic policies:** The objective of higher production and self-sufficiency in production can be attained through provision of incentive through higher prices of agricultural goods. This objective is inconsistent with the objective of attaining price stability.

There is a lack of equilibrium between demand and supply of food. Due to this an implicit crisis is gnawing at the existence of farmers. Special Economic Zones: As part of the economic reforms, the system of taking over land by the government for commercial and industrial purposes was introduced in the country. As per the Special Economic Zones Act of 2005, the government has so far notified about 400 such zones in the country. Very often it is fertile land which has been acquired.

The most controversial example is that of the Singur case where Tata Motors acquired 400 acre cultivable land for construction of a factory for is Rs. lakh car, Tata Nano. Since the SEZ deprives the farmers of their land and livelihood, it is harmful to agriculture. In order to promote export and industrial growth in line with globalisation the SEZ was introduced in many countries. CRITICAL ANALYSIS The farmers who produce food materials for the country are in deep distress. The marginalised people like the Dalits and tribals, who depend on agriculture, are getting unemployed and struggling for their livelihood.

The ordinary people, especially the poor, have lost their food security. The crisis in agriculture is a crisis of the country as a whole and so needs urgent attention. Some of the suggestions are enlisted as follows: Since the import policy was the major reason for the crash in prices of many agricultural products, there should be restrictions on the quantity and customs duty of such products. Necessary import duty and quantitative restrictions should be imposed on imported goods to protect our farmers who should be given priority to the discipline of the WTO. Subsidy and concessions given to agriculture but removed in the post-reform period should be restored.

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This is a must to make agriculture remunerative. India should assert its right to give sufficient subsidy to its farmers to offset the rising cost of cultivation and protect their livelihood. Bank loans should be easily made available to the farmers, especially since the input cost of agriculture has gone up. The government should seriously think of restoring the low rate of interest to farmers given by banks and other financial institutions as it had done before the reform period. The government should augment its investment and expenditure in the farm sector.

One reason for the agricultural stagnation is low government expenditure. Investment in agriculture and its allied sectors, including irrigation, transport, communication and farm research, should be drastically increased, and the government should aim at integrated development of the rural areas. The rural economy, particularly agriculture, will be greatly benefit if programmes meant for economically backward sections, including the Integrated Child Development Schemes, mid-day meals for schoolchildren and the National Rural Employment Guarantee Scheme, are effectively implemented. Food security of the poor will be ensured if the public distribution system is efficiently run. All these programmes will increase the purchasing power of the rural people and indirectly help agriculture itself.

The agricultural sector in India is facing a crisis today. The globalisation process, which started in the 1990s, is the main reason for this crisis. The solution of the problem is not in a few “ packages” but in drastic changes in the present economic policies related to agriculture.

For this, the government should be ready to take bold steps.