

Main Article

Freebies for farmers: Only short-term relief

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Lack of a clear vision and commitment to the pro-people agenda has led to ad-hoc initiatives like farm loan waiver.

In the Olympics of planning, the Indian policy stalwarts can be christened as wobblers and not gymnasts. Gymnasts have body discipline and capacity to control the surrounding circumstances. To put it in the words of Barrows Dunham, "wobblers" most astonishing feats result simply from the play of contradictory forces, over which the wobbler exerts no influence at all. Tossed like a cork upon conflicting waves, he follows the wave that is stronger."



A debt relief package worth Rs 6000 crore is India's largest ever dole that has been given to farmers by our renowned economists. The economist wobblers have been preaching that "power subsidy" to the farmers is disastrous for the fiscal health and therefore, should be withdrawn. But now they have termed this bumper dole as an act of economic balance enacted with political finesse.

And their off-the-record justification is that political circumstances have forced them to take this decision. Even when they happily surrender to political opportunism, they continue to claim that their heart is in the right place, as pure and honest as ever. They provide all possible arguments to sustain the hope of politics of opportunism that the people will be content with crumbs.

As their follies begin to acquire cosmic grandeur, it becomes easier for them to keep shifting their stance. These wobblers have been propagating two main mantras i.e. diversification of crops and no "freebies" (read subsidies) for farmers. Instead of diversification of crops, it is back to the policy of grow more foodgrains.

It is unfortunate that due to the lack of a clear agricultural policy, Punjab has suffered the advocates of diversification of crops since 1986. And today, Punjab could not diversify to cash crops and also could not specialise in foodgrains.

If we look back, it was learning the hard way. Susan George rightly pointed out that, "The inescapable conclusion is that however hard the road, the hungriest countries must reduce their dependence on the West. They must not only produce more food crops, but also distribute them more equitably and allow more people access to food-producing resources."

The then US Agriculture Secretary, John Block, in 1986 had, at the start of the first Uruguay Round negotiations asserted that "the idea that developing countries should feed themselves is an anachronism. They could better ensure their food security by relying on US agricultural products, which are available in most cases at much lower costs. These countries can, therefore, utilise their land and resources for growing other crops." After a few months in 1986, we had the famous diversification report.

But what has been our politics? To characterise the crisis of agriculture as food-grains not finding a market or the farmers getting pauperised, is paradoxical. The agri-business in food is making huge profits and producers of food are starving. The crisis is much deeper.

For the declining agricultural growth rate and farmers' income, their prescription was crop diversification. The need was rather to diversify the economy by a large inter-sectoral shift to high productivity flexible agriculture, to move away from anti-grain policies and promote a decentralised modern small-scale industrial complex.

Another policy prescription was that doles or subsidies to the farmers are not productive for the economic health of the state. It is prudent and statesmanlike if these are withdrawn. And then comes an announcement of bumper doles of Rs 60,000 crore.

This package has been given in response to the dismal conditions of the farmers. It has been given as a one-time relief to the farmers. It is an ad-hoc response. Lack of a clear vision and commitment to the pro-people agenda has led to these ad-hoc initiatives. Nowhere has an effort been made to put in place institutional mechanisms to increase the income of the farmers and prevent indebtedness.

The investment in agriculture has declined from 2.2 per cent of the GDP in 1999-2000 of GDP at constant prices (1999-2000) to 1.9 per cent of the GDP in 2005-06. This is also reflected in the decline in agricultural growth rate to 2.2 per cent per annum in 2005-06 at the all-India level. And no initiative has been taken to increase public sector investment in agriculture.

This has led to a decline in agricultural productivity and damage to the ecology and environment. There is also the need for a change in the feudal response to the crisis of capitalism in the form of doles to subsidies to increase productivity and distributive justice.

Food deficit and the forthcoming parliamentary elections have brought a dramatic shift in their policy prescriptions. The situation changes, the context varies and needs multiply. And these policy planners judiciously give their judgment in favour of the dominant trend among various programmes competing for their support. If these judgments do not stand the test of time, these planners are flexible enough to offer another set of judgments.

They have stooped, but have they conquered?

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