

## **AGRICULTURAL GROWTH LED ECONOMIC PROGRESS IS CENTRAL TO INDIA'S INTERNAL SECURITY**

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DOI: 10.46609/IJSSER.2023.v08i09.009 URL: <https://doi.org/10.46609/IJSSER.2023.v08i09.009>

Received: 11 August 2023 / Accepted: 13 September 2023 / Published: 20 September 2023

### **ABSTRACT**

In recent years, "security" has become a major concern. Faced with a variety of potential threats ranging from terrorism and computer viruses to fraud and organised crime, many people believe the world is becoming increasingly unsafe. But what we are unaware of is that internal policy decisions could also impact the wellbeing of the people after which they can revolt against the government and could have devastating impacts on the economy. The present paper discusses how the farming economy if remains unstable could be a major cause of internal security in India. The paper also takes into account the recent farmers revolts on the outskirts of Delhi and also reviews flawed farming policies which hampers the development of the rural farming sector. The policies today need to cater the financial needs of the marginal farmers as they remain impacted the most.

**Keywords:** Farm economics; Faulty State Policy, Agricultural finance; Security

### **Introduction**

Agriculture is central to the Indian economy. Agriculture plays a pivotal role in the Indian economy. It contributes around 16% to India's GDP and provides employment to over 50% of the country's workforce. The importance of agriculture in India stems from the fact that the performance of this sector has a direct impact on poverty alleviation and food security. A bulk of India's population still depends on agriculture for sustenance. Moreover, agriculture is well integrated with sectors like forestry, logging, fishing etc. which further adds to growth and employment. The growth in other sectors like manufacturing, services etc. also critically depends on the performance of agriculture through its forward and backward linkages. For instance, the agro-based and food processing industries depend on agriculture for raw materials. In turn, industries like fertilizers, pesticides, farm equipment etc. meet the demand of agriculture sector. Apart from domestic consumption, agriculture also earns foreign exchange through export of

agri products like rice, wheat, spices, cotton etc. The government also focuses on agriculture and has introduced reforms, policies, programs and subsidies from time to time to improve productivity and increase farmer incomes. However, challenges like small and fragmented landholdings, lack of mechanization, skewed market, climate.

Roughly three-quarters of Indian families rely on income from the countryside. Second, the vast bulk of India's impoverished (about 70% of the population) live in rural areas (World Bank,2012).Third, to fulfill the demands of a growing population with rising incomes, India's food security depends on producing cereal crops as well as boosting production of fruits, vegetables, and milk. To do so, an agricultural industry that is productive, competitive, diverse, and sustainable must emerge quickly. In 2019 the agriculture sector employed over 43% of the workforce and accounted for roughly 16% of India's GDP in the same year.

In the current scenario the farmers continue to suffer at various ends like structural problems and minimum support prices for the crops they grow and unavailability of farm credit are just a few problems which they face day in and day out. The IMF explains insufficient agricultural infrastructure such as irrigation systems and cold storage lead to production waste and losses to farmers (IMF,2018).

Apart from this we see that the government of India has introduced three agricultural reform bills in June 2020. These Bills, known collectively as the farm laws, were passed by the Indian Parliament at the end of September. Significant changes to the laws included: • loosening restrictions on the stocking and movement of food items classified as "essential commodities," allowing stockpiling; and • relaxing restrictions on the purchase and sale of farm produce through state government-regulated marketplaces known as mandis. • allowing farmers to immediately enter into contract farming arrangements with purchasers, avoiding mandis and allowing for local dispute resolution.

### **Farm Protests and Violence**

Without following legislative procedure or addressing farmers' organizations, the Indian Parliament enacted three legislation in September 2020 pertaining to the price, sale, and storage of agricultural products (**Jebaraj,2021**). These laws deregulated and privatized India's agrarian economy by allowing private corporations to engage in contract farming, stockpile unlimited amounts of necessities, and buy crops at market prices without paying taxes (Dubal etal., 2020). The BJP said that the changes would provide farmers more options on the agricultural market by allowing them to sell directly to private businesses and releasing them from the confines of established wholesale "mandis," or markets. However, many farmers were concerned that the

reforms would result in reduced prices for their produce, encourage hoarding of necessities, and eliminate a crucial safety net (Aljazeera, 2020).

The reforms' most likely result would be the demise of the mandi system, which at the moment ensures farmers a minimum support price (MSP). In the early years of reform, private firms would probably pay more than MSP for agricultural products, giving them monopoly power in the market. As 85% of Indian farmers own less than five acres of land, they might then set prices that are far lower than MSP, which would probably have disastrous effects on them (Aljazeera, 2020). These farmers would have to contend with a market that rewards companies while they have been bankrupted and driven to suicide in recent decades (Swaminathan Report , 2006). It is possible that many farmers would lose their land, their means of support, and their way of life. In retaliation, protesting farmers have urged the central government to revoke the three farm laws and approve a national MSP index for agricultural output. And they are willing to stay in Delhi for years in order to accomplish these objectives (Mander,2021).

The agricultural reform legislation signify the ongoing privatization of India's economy, which includes the industry that contributes 18% of the country's GDP and employs more than 60% of the labor force. Farmers, activists, and academics who urged the government to adopt the reforms suggested in the Swaminathan Report (2006) have been largely disregarded by the Indian government for decades. According to the report, which also discusses environmental problems, farmer suicide, and issues with the mandi system and MSP, farmers should have access to and control over basic resources like "lands, water, bioresources, credit and insurance, technology and knowledge management, and markets." The research also suggests expanding the list of covered crops beyond wheat and paddy and raising MSP to at least 50% more than the weighted average cost of production. Instead of implementing these reforms, the BJP has introduced legislation that allows private firms access to the agricultural market without addressing the root causes of those problems. These regulations are likely to cause the public agricultural system to collapse, endangering the livelihood of small farmers and the country's food security.

Since monopoly power is fairly widespread in India, where 20 corporations already account for 70% of all corporate earnings, protesters have expressed concern that privatization India's agriculture might result in a monopoly. Reliance Industries, owned by Mukesh Ambani, has monopoly power in telecom, oil, and retail, and Gautam Adani's group has monopolies in infrastructure, such as airports and ports. According to protesting farmers, these private corporations will now control the agricultural market (Dubal et al.,2020).

The initiative gained national attention on November 26, 2020, thanks to two distinctive organizing strategies. First, 250 million people participated in a big one-day nationwide strike

led by trade unions and farmers (Joy,2020). Second, the Delhi Chalo (Let's Go to Delhi) March drew tens of thousands of farmers from Punjab, Haryana, Uttar Pradesh, Madhya Pradesh, and Rajasthan. At the Punjab-Haryana and Haryana-Delhi borders, largely peaceful protestors came up against a militarized police force that attacked them with tear gas, batons, and water cannons (Slater, 2020). In an effort to obstruct the farmers, police officers constructed roadblocks and dug trenches (**Rahar,2020**).

Nevertheless, the farmers entered Delhi after two days of protesting and set up protest camps outside the capital. At the borders of Tikri, Singhu, and Ghazipur for more than a year, farmers conducted sit-ins with almost 300,000 people present (Sandhu, 2021). Aside from using nonviolent protests to challenge the government, farmers have also surrounded the residences of officials, shut down government facilities, opened toll booths, and stopped railroad lines (Dubal and Gill,2020). Last but not least, farmers boycotted gas stations and megamalls and disconnected cell phone towers as direct protests against the Ambani and Adani companies and their affiliates (**Dubal et al.,, 2020**).

In response to the ongoing demonstration, the BJP administration built militarized barriers around the protest camps and detained hundreds of demonstrators (**BBC, 2021**). As well as accusing journalists of sedition, cutting off internet access in Delhi and Haryana, ordering Twitter to ban the accounts of news organizations that disobeyed, and cutting off water and electricity to the camps, among other things (**Roy et al.,,2021**).

The violence was condemned by protest leaders, who blamed it on "rogue elements" among an otherwise peaceful march. They stated that the protests would not be called off. The government has defended itself, claiming that the protestors represent only a small group of farmers and that they have used violence against the government.

### **Structural problems and farmers' suicides**

The Indian agricultural sector has long-standing structural issues. Indian farms are substantially less productive than those in other nations, and landholdings are modest. Most economists think that the sector deserves reform and efficiency improvements (Goyal et al.2016).

Farmers confront difficult conditions. Every year, a large number of farmers commit suicide, although this is not a new occurrence (Merriot,2016). A peculiar feature of Indian farmers is that they are the price-takers both form the input and form the output market side. Because of this reason, the farmers are pushed to such a state that, the input costs & the cost of credit are so high, while the output prices are very low, as result there is a decline in profitability and returns from cultivation. According to available research, this has occurred more recently as a result of an agrarian crisis impacting the most vulnerable farmers. A lack of agricultural investment and

irrigation improvement, the use of cash crops, the increased use of non institutional financial sources, and the removal of trade barriers are all examples of this (Kale,2011).

Therefore, farmers' protests in India and agricultural reforms attempting to address difficulties such as access to capital, technology, and education, as well as extreme weather, are just a few of the challenges that are creating farmers' pain.

### **Agricultural Credit and Debt Shock**

In the developing world, extreme amounts of household debt are typical. This is especially true in rural economies, where households confront high income volatility but lack access to fundamental financial tools, such as insurance or futures contracts, that could lessen their vulnerability to periodic income shocks.

In India, where rural household over-indebtedness has been a major concern for decades, the government took an exceptionally strong legislative approach. Following a spike in farmer suicides, particularly in Maharashtra's Vidarbha region, and a wave of defaults among microfinance borrowers, the Indian government launched what was perhaps the world's largest household debt relief programme. The Agricultural Debt Waiver and Debt Relief Program for Small and Marginal Farmers, announced in then-finance minister Pranab Mukherjee's budget speech on February 28, 2008, cancelled the outstanding debts of 45 million rural households across the country, amounting to approximately 1.7 percent of India's GDP (World Bank Blog,2013)

Again, it astounds me that India's farming business currently faces two distinct situations: first, there is a dearth of capital, and farm-related loans are little and inadequate, leading farmers to rely on money lenders who demand exorbitant interest rates. Even if they qualify, poor farmers frequently turn down loans because they are afraid of losing assets, a behaviour known as "risk rationing." Second, despite the fact that this is the lending policy of banks throughout India and the rest of the third world, farmers can acquire substantial loans by mortgaging their land to banks. These funds can be large and valuable, but in the event of defaults, they can also create conditions that rob farmers of their full farming potential.

### **Conclusion**

Agriculture and national security are intertwined in many different ways — whether it is insuring that food is available to meet nutritional needs for both those within our own borders and those around the world, or insuring that food coming into our borders is disease- and pest-free, or guaranteeing that farmers and ranchers have the needed policy tools in place to continue

producing food and fiber. As far as the Indian farmer is concerned he is facing a plethora of problems in his day to day farm life.

While feeding the globe, millions of agricultural labourers, both salaried and self-employed, confront high levels of working poverty, malnutrition, and bad health, as well as a lack of safety and labour protection, as well as various forms of abuse. Because of their poor and irregular salaries and lack of social support, many of them are compelled to continue working, frequently in hazardous situations, putting themselves and their families at risk. Furthermore, when faced with a lack of income, individuals may turn to negative coping techniques such as asset distress sales, predatory lending, or child labour. Migrant agricultural labourers are particularly vulnerable because they confront dangers in their transportation, working, and living situations, as well as a lack of access to government-sponsored assistance. Providing higher wages and protection to all agri-food workers, from primary producers to those involved in food processing, transportation, and retail, including street food sellers, will be crucial to saving lives and maintaining public health, livelihoods, and food security.

We need to protect our food givers through policies that don't harm their interest. The farm protests in India have shown that the farmer today is resilient like a rock and is ready to give his life to protect his interests. The government should look into this and avoid any such revolts like then one which happened last year and took life of hundreds of farmers. Better fiscal policies have to be developed if we want a better prosperous farmer. A secure farmer make a country secure.

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