

# CENTRAL BUDGET AND FARMERS' SUICIDE IN INDIA

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## **ABSTRACT**

*Farmers' suicide in India is serious burning problem. Farmers' suicides have been rising even though rise in Central Government's expenditure on agriculture in central budget and also declaring Financial Packages. No one Government solved this problem in India, which indicates the failure of the Government's Agricultural Policy. It does not mean that Government is not doing to stop this. But this way is not proper. There is need to change the agricultural system by implementing remedial measures in Central Budget like agricultural loan at minimum r/i, land reforms, optimum prices, optimum irrigation facilities, marketing facilities, proper compensation of natural calamities and agro-based industries etc., which can help to stop the farmers' suicides in Maharashtra and India.*

**Keywords:** Suicide Mortality Rate, Agricultural Budget, Farmers' Suicide, Minimum Support Price etc

## **INTRODUCTION**

Central budget is significant factor of fiscal policy. Fiscal policy has special significance in India. Because it has effective impacts on economy of India. Every year all citizens do eye on Central Budget of India. Because in India there are various social and economic problems. The question is that will "Central Budget" solve these problems? Farmers' suicide is a serious problem which facing by Indian farmer. Proportion of farmers' suicide is rising year by year and beyond this no one Government able to solve this problem. Government has tried to solve this problem by giving "Economic Packages". Researcher has tried to focus on farmers' suicide in India, reasons behind farmers' suicide and remedial measures to solve this problem.

## **OBJECTIVE OF THE STUDY**

1. To study the farmers' suicides in Maharashtra and India.
2. To study the proportion between Government's total and agricultural expenditure.
3. To study the reasons behind famers' suicide in India.

4. To suggests the remedial measures to mitigate the number of farmers' suicide in India.

### **Farmers' Suicide in India**

According to National Bureau Records since 1997 around 2 lakh farmers committed to suicide in India. Now days after every 30 minutes 1 farmer commits suicide in India. Maharashtra, Andhra Pradesh, Karnataka, Madhya Pradesh and Chhattisgarh etc., are the states in which maximum farmers commits suicide in India. Since 2000 to till today farmers' suicide are 1,22,823. These were 16196 and 17368 in 2008 and 2009 respectively. Farmers' suicide in India in 2001 has stated in following table.

**Table 1: Farmers' Suicide in Various States in India, 2001**

Sr. No.	States	Total Suicides (Behind 1 Lakh People)	Farmers' Suicides (Behind 1 Lakh People)	Proportion of Farmers' Suicides with Total Suicides
1.	Andhra Pradesh	13.8	19.2	1.4
2.	Assam	9.9	4.5	0.5
3.	Bihar + Zarkhand	0.8	0.7	0.9
4.	Goa	19.0	35.7	1.9
5.	Gujrat	9.5	10.2	1.1
6.	Hariyana	9.5	4.8	0.5
7.	Himachal Pradesh	5.1	1.1	0.2
8.	Jammu & Kashmir	1.5	0.9	0.6
9.	Karnataka	22.5	36.4	1.6
10.	Kerala	30.1	142.9	4.7
11.	Madhya Pradesh + Chhattisgarh	13.4	18.4	1.4
12.	Maharashtra	15.1	29.9	2.0
13.	Orrisa	11.0	6.0	0.5
14.	Pondecherry	54.3	834.9	15.4
15.	Panjab	2.7	2.2	0.8
16.	Rajsthan	5.7	3.8	0.7
17.	Tamil Nadu	18.1	19.3	1.1
18.	Tripura	26.7	13.1	0.5
19.	Uttar Pradesh + Uttaranchal	2.2	3.0	1.4
20.	South Bengal	17.1	22.0	1.3

**Source:** Dr. Narendra Jadhav Committee's Report on Farmer's Suicide in India.

On basis of above table it seems that farmers' suicides in Maharashtra are less than farmers' suicides in Goa, Karnataka, Kerala, Pondicherry, Tamilnadu, Tripura and South Bengal etc. In this same time farmers' suicide behind 1 lakh farmers (SMR) maximum in Pondicherry state were 834.9 and minimum were (0.9) in Jammu & Kashmir state. Proportion of farmers'

suicide with total suicides was maximum (15.4) in Pondicherry and minimum (0.2) in Himachal Pradesh.

### Farmers' Suicides in Maharashtra

Economically and socially developed Maharashtra state is among the states in which farmers' suicides are highest. According to National Crime Record Bureau in Maharashtra during 2003 to 2007 12000 farmers committed to suicides. Maximum farmers' suicides are in Vidarbha in Maharashtra and in 2006 and 2007 farmers committed to suicides were 1448 and 1246 respectively. In Vidarbha numbers of farmers suicides have been declining due to financial package declare by Government. But in same time highest numbers of farmers' suicides have recorded in Yavatmal district in Vidarbha, which shows that Central Government's Financial Package to mitigate the number of farmers' suicide in Vidarbha has failed. Statistics about farmers' suicide in Maharashtra have shown in table no. 02.

Table no. 02 shows that in 1995 total farmers' suicides were 1083, which continuously rise up to 4147 in 2004. During same time suicides of male and female were 978 and 105, which have continuously rise up to 3799 and 348. During same time suicides of male and female farmers behind suicides of 1 lakh people (SMR) was 16.7 and 2.3 respectively in 1995, which has rose up to 53.3 and 6.4 in 2004. On basis of this data we can conclude that proportion of farmers' (Male + Female) suicide have been rising continuously. To mitigate this serious problem no one agricultural policy has succeed.

**Table 2:** Farmers' Suicides in Maharashtra and Its SMR, 1995 to 2004

Year	Farmers' Suicide			SMR of Farmers' Suicide	
	Male	Female	Total	Male	Female
1995	978	105	1083	16.7	2.3
1996	1570	411	1984	26.2	8.9
1997	1600	317	1917	26.1	6.7
1998	1938	471	2355	31.0	9.8
1999	2050	373	2423	32.0	7.6
2000	2492	530	3022	38.1	10.5
2001	2945	591	3536	44.1	11.5
2002	3155	540	3695	46.2	10.3
2003	3381	455	3836	48.5	8.5
2004	3799	348	4147	53.3	6.4

**Source:** 1) Report of IGIDR on Suicide of Farmer's in Maharashtra, 26 Jan., 2006.  
 2) Report of Narendra Jadhav Committee on Farmers' Suicide and Debt Waiver an Action Plan for Agricultural Development of Maharashtra, July 2008.

**Note:** SMR: Suicide Mortality Rate indicated suicide deaths per 100000 population.

### **Agricultural Expenditure in Central Budget**

Indian Government tried to occur agricultural expenditure in Central Budget under non-plan expenditure. Total expenditure of central Government, agricultural expenditure, proportion between total expenditure and agricultural expenditure etc. have stated in table no. 03.

**Table 3:** Total Expenditure and Agricultural Expenditure of Central Government in Central Budget, 1990 to 2011  
 (Expenditure in Rs. Crore)

<b>Year</b>	<b>Expenditure on Agriculture</b>	<b>Total Expenditure</b>	<b>Proportion Between Total Expenditure and Agricultural expenditure</b>
1990-91	4502	105298	4.28
1993-94	7429	141853	5.24
1996-97	8770	201007	4.36
1999-00	9927	298053	3.33
2002-03	16429	413248	3.98
2005-06	24191	505738	4.78
2008-09	57639	883956	6.52
2009-11	62907	1108749	6.67

**Source:** RBI Bulletin.

Above table shows that agricultural expenditure has been rising with rise in total expenditure of Central Government. In 1990-91 expenditure on agriculture was Rs. 4502 crore, which has expanded up to Rs. 62907 crore in 2010-11. Growth in agricultural expenditure in 2010-11 with compare to 1990-91 was 13.97 percentage. During same period growth in total expenditure was 10.53 percentages. It means growth in agricultural expenditure was more by 3.44 percentage than total expenditure. Similarly, during this period proportion of Government's agricultural expenditure with total expenditure increased from 4.28 percentage to 6.67 percentage and average rise of this was 4.44 percentage.

On basis of above table we can conclude that Central Government's agricultural expenditure in budget is raising, but proportion of farmers' suicide also have been rising. The basic reason behind this is even though Central Government's agricultural expenditure has been rising, but this is very less with compare to total expenditure. If we consider the significance of agricultural sector then there is need to rise in agricultural expenditure in future Central Budget.

#### **Reasons behind Farmers' Suicide**

1. Rising proportion of loan from Non-Institutional Sources
2. Declining Government's and Bank's support to farmers
3. Uncertain and fluctuating nature of agricultural products
4. Lack of Optimum Minimum Support Price
5. Less coverage of Minimum Support Price

6. Dependency on nature
7. Lack of Irrigation facilities
8. Discrimination in Income and Land Distribution
9. Disguised and Seasonal Unemployment
10. Lack of Compensation of Natural Calamities and Substitute Factors
11. Lack of Marketing Facilities.

Functional relationship between farmers' suicide and responsible factors for it has shown in following equation.

$$S_f = f(a, b, c, d, e, f, g, h, i, j \text{ and } k)$$

**Where,**

**S<sub>f</sub>** = Farmers' Suicide

**a** = loan from Non-Institutional Sources

**b** = Declining Government's and Bank's support to farmers

**c** = Uncertain and fluctuating nature of agricultural products

**d** = Lack of Optimum Minimum Support Price

**e** = Less coverage of Minimum Support Price

**f** = Dependency on nature

**g** = Lack of Irrigation facilities

**h** = Discrimination in Income and Land Distribution

**i** = Disguised and Seasonal Unemployment

**J** = Lack of Compensation of Natural Calamities and Substitute Factors

**k** = Lack of Marketing Facilities.

### **Budgetary Measures to Mitigate the Farmers' Suicides**

1. Central Government should decide separate budget for agriculture.
2. Proper compensation of natural calamities to farmers should be in budget.
3. In budget expenditure should occur to available Institutional Loan at minimum r/i to small and marginal farmers.
4. In budget expenditure should occur to available proper agricultural store housing and cold housing facilities to farmers.
5. In budget expenditure should occur to available proper agricultural marketing facilities for farmers.
6. In budget expenditure should occur to decide and implement optimum minimum support prices for agricultural products.

7. In budget expenditure should occur to available to raise irrigation facilities for farmers.
8. Government should supervise that the expenditure on agricultural schemes reaches to marginal farmers or not. Government should try to implement agricultural schemes properly and efficiently.

### **CONCLUSION**

The above data shows that farmers' suicides have been rising even though rise in Central Government's expenditure on agriculture in central budget. Similarly, farmers' suicides in Vidarbha in Maharashtra have been rising even though Government has declare Economic Package to mitigate the number of farmers' suicides. Researcher comes to conclude that only to raise the agricultural expenditure and to declare economic Package to stop the farmers' suicide is not enough. For that there is need to do fundamental reforms. Agricultural loan, land reforms, optimum prices, optimum irrigation facilities, marketing facilities, proper compensation of natural calamities and agro-based industries etc., reforms should do by Government through its budget. For that purpose there is need of separate budget for agricultural sector. It is hope that all above agricultural reforms will include in future budget, which led in mitigating the number of farmers' suicides.

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