



## INDIA: AS THE ECONOMY GROWS, SO DOES HUNGER

By Anuradha Mittal (\*)

**Blaming high food prices on rising demand in fast-developing countries like China and India deflects scrutiny from structural causes -- like the liberalisation of agricultural markets -- and suggests incorrectly that market-friendly reforms have uplifted the poor and underprivileged, writes Anuradha Mittal, executive director of the Oakland Institute, a policy think tank working to increase public participation and to promote fair debate on critical social, economic, and environmental issues.**

OAKLAND, Aug (IPS) Policy makers and media have placed blame for skyrocketing food prices--recently lower--on a variety of factors, including high fuel costs, bad weather in key food-producing countries, and the diversion of land to biofuels production. Increased emphasis, however, has been placed on a surge in demand from emerging economies like India and China. China and India grew at 11.4 and 9.2 percent respectively in 2007. With both nations with over a billion people each and accounting for nearly a third of world's population, it seems highly probable that mass consumption in these two countries could be well poised to create a food crisis.

However, presenting the crisis in terms of an imbalance between demand and supply, and hand picking the countries responsible for it, is a convenient oversimplification. On one hand, it deflects scrutiny from structural causes of the crisis, such as the liberalisation of agricultural markets which has wreaked havoc on the agricultural base of the developing countries. On the other, it helps generate the perception that market-friendly reforms have contributed positively to the uplifting of the poor and underprivileged. A closer examination of India reveals that this is not the case.

The World Food Programme estimates that about 350 million Indians are food insecure, making India home to nearly 50 percent of the world's hungry. More than half of the children under five

are moderately or severely malnourished, or suffer from stunting. Instead of increased consumption, the Economic Survey of India 2007- 2008, reports a decline in the consumption of cereals and pulses (the main source of protein for the poor) between 1990/91 and 2005/06.

The argument that the "economic boom" has improved peoples' diets also helps generate the perception that the market-friendly reforms initiated in India have contributed positively to the uplifting of the poor. Data proves the contrary. The gap between the rich and poor is widening. While thirty-six people reportedly are collectively worth USD191 billion dollars, a government report estimates that 77 percent of India's working population lives on less than 50 cents a day and the total number of the poor and vulnerable increased from 732 million to 836 million between 1993/1994 and 2004/2005.

Even if the "increased demand" argument is taken seriously for a moment, it is important to ask whether it results from increased purchasing power of the population or from the erosion of the country's agricultural base.

Though India's economy is agricultural, the agricultural sector registered a paltry 2.7 percent growth in 2007 in comparison to the over 10 percent growth in the industrial sector. In a concerted effort to move towards market-driven production of agricultural goods vis-...-vis

meeting domestic needs, India is shifting from coarse grains to high-value commodities for export and systematically pulling away from the long-respected post-Independence statute requiring self-reliance in agriculture. Consequently, there has been a considerable decline in the rate of growth of production, productivity, and the quantity of land planted and irrigated for the major crops.

This fascination with the export-driven economy is also visible in the fervour with which the creation of Special Economic Zones (SEZs) on agricultural lands is being pursued. The current government's goal of establishing 500 SEZs will require the acquisition of 150,000 hectares of land, predominantly agricultural and typically multi-cropped. 114,000 farming households (each comprising on average five members) and an additional 82,000 farm workers families will also be displaced. Thus some 1,000,000 people who primarily depend on agriculture for their livelihood face eviction.

At the same time the new farm policy of the central government unashamedly emphasises moving people out of the agriculture sector in the name of reducing dependency on agriculture without specifying where and how 59 percent of the population is to be rehabilitated?

Global restructuring of agriculture and agricultural intensification has significantly altered the rural landscape in India. The net result is that farming is no longer sustainable. With little or no incentive for producing food for home consumption, farmers

are increasingly being pushed to take their own lives. According to official figures, over 17,000 farmers committed suicide in the year 2006 alone. Nearly one farmer has committed suicide every 30 minutes since the year 2002.

Hunger and poverty in India amidst plenty is emblematic of hunger worldwide. This situation is the result of decades of neglect of agriculture in poor countries and ill-advised policies from the international financial institutions.

Promoting agricultural development in poor nations would bolster their food self-sufficiency and help alleviate poverty. According to a report by Oxfam International, "there are also strong efficiency arguments for investing in the developing world's 400 million smallholder farmers. Their smallholdings often show higher productivity per area than their larger counterparts. In addition, such farmers usually spend more on locally-manufactured goods and services. In countries that are economically dependent on agriculture, this is one factor that contributes to the potential for agriculture to "kick-start" their economic development." India is no exception to this.

Recommendations such as these are especially important for countries like India to achieve an equitable and sustainable food and farming system that fulfils the needs of its population. This will require not only a change in the amount of investment, but for the government to embrace a people-centred policy framework for agriculture. (END/COPYRIGHT IPS)

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