

# Too Little, Too Late

## Apathy towards the Rural Sector

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The last budget of the Modi government comes against the backdrop of severe agrarian and rural distress. It is also the last opportunity to undo the damage caused to the rural economy by this government in the last four years. While the government has finally acknowledged the gravity of the situation, its response has been limited to empty rhetoric without any financial commitment. Going by the past record of the government, it is clear that it is serious neither in its commitment nor in its intent. The half-hearted measures are not only too little and too late, it is also clear that this budget is unlikely to revive the rural economy.

Over the years, budget documents have lost relevance both as a statement of account and also as a statement of intent of the government. Economic policy decisions are no longer restricted to what is stated in the budget documents with major policy announcements made throughout the year. This is true for big economic decisions such as demonetisation that has consequences for the overall economy, as well as for issues of taxation such as goods and services tax (GST) that was rolled out on 1 July 2017. Budget documents have also lost relevance as the statement of account of the central government, with most governments not adhering to the expenditure commitments made in the budget. What is promised in the budget is not spent. Nonetheless, they continue to be eagerly watched for the expenditure priorities of the government for the coming year.

This being the last full budget of the National Democratic Alliance (NDA) government, expectations were high that this budget will be populist. Pre-election budgets have been known to be populist, but more importantly political, with immediate political priorities getting precedence over economic fundamentals. Budget 2018 presented on 1 February 2018 is certainly not populist but is also not political, even as this budget was presented in the backdrop of unprecedented rural distress and electoral reverses suffered by the incumbent government in elections in the last six months.<sup>1</sup> Economic indicators relating to rural economy also suggest that this has worsened in the last four years of the present government led by Prime Minister Narendra Modi. Given this context, this budget was expected to provide some relief to the rural economy and undo the damage caused by its own policies in the last four years. A close reading of the budget documents certainly belies any

hopes of this budget contributing to a revival of the agrarian economy, much less the revival of rural economy.

Politics did play a role in the budget speech of the finance minister who spent considerable time making grand announcements on how the government is concerned about the welfare of farmers. While considerable time was spent on reiterating the government's commitment to farmers and rural poor, it was not in consonance with the government's own commitment of doubling farmer's income by 2022. Coming at a time when the distress in the rural economy is at its peak in more than a decade, this budget is also at variance with the government's own assessment of the challenges of reviving agrarian and rural economy in the *Economic Survey 2018*, presented in the same week. While stagnant incomes and deceleration in agricultural output characterised the rural distress, it has been made worse by the collapse of the rural non-farm economy that is equally important for driving the rural economy. It not only affected the self-employed in agriculture and non-agriculture but also affected the casual manual labourers with real wages declining for agricultural labourers as well as non-farm labourers.

The deceleration in growth of the construction sector along with a general deceleration in growth of unorganised sector following the twin shocks of demonetisation and hasty implementation of GST has also led to growing unemployment and decline in rural demand. Given the twin challenges faced by the agrarian and non-farm economy, the expenditure commitments of budget 2018 are not only insignificant compared to the severity of the crisis, it also showed a lack of commitment to revive the rural economy. While the imminent elections next year did force the government to justify its commitments to the rural economy, the commitments were not matched by budgetary allocations.

### The State of Rural Economy

The last time the rural economy was in such a severe distress was the period between 1998 and 2004. Incidentally, even then, the NDA government led by the Bharatiya Janata Party (BJP) was in

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power. The growth rate of agriculture during 1998–2004 was 1.76% per annum. However, the rural economy bounced back after 2004 with the growth rate of agriculture accelerating to more than double to 3.84% per annum between 2004–05 and 2012–13 based on the old gross domestic product (GDP) series.<sup>2</sup> The growth rate of agriculture during the term of the present government has declined to 1.86% per annum, almost half of what was achieved during the United Progressive Alliance (UPA) period. Table 1 presents the relevant growth rates of agricultural gross value added (GVA).

**Table 1: Growth Rate of Value Added in Agriculture**

Period	Old GDP Series (2004–05 Prices) Growth Rate	New GDP Series (2011–12 Prices) Growth Rate
1998–99 to 2004–05	1.76	NA
2004–05 to 2012–13	3.84	NA
2011–12 to 2013–14	NA	3.5
2014–15 to 2017–18	NA	1.86

2017–18 estimates are based on first advance estimates of national income for 2017–18.

Source: National Accounts Statistics, Central Statistics Office.

The revival of the rural economy after 2004 was led by growth of agricultural output but was also accompanied by increasing incomes of farmers. While farmers' income declined at 0.55% per annum between 1999–2000 and 2004–05, it increased at 5.13% per annum during the 10 years between 2004–05 and

**Table 2: Annual Growth Rate of Farmers' Income**

	Growth Rate (%)
1993–94 to 1999–2000	4.11
1999–2000 to 2004–05	-0.55
2004–05 to 2011–12	7.46
2011–12 to 2015–16	0.44

Source: Chand (2017).

**Table 3: Minimum Support Price (MSP) of Paddy and Wheat**

	Minimum Support Price (₹/Quintal)	
	Paddy (Common)	Wheat
2004–05	560	640
2005–06	570	650
2006–07	580	750
2007–08	645	1,000
2008–09	850	1,080
2009–10	950	1,100
2010–11	1,000	1,120
2011–12	1,080	1,285
2012–13	1,250	1,350
2013–14	1,310	1,400
2014–15	1,360	1,450
2015–16	1,410	1,525
2016–17	1,470	1,625
2017–18	1,550	1,735

Source: Commission for Agricultural Costs and Prices Reports, various years.

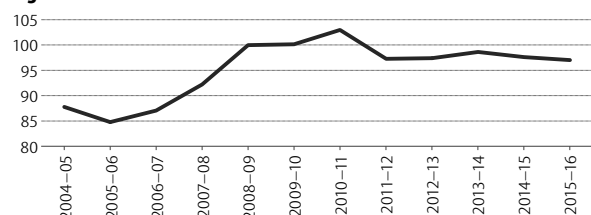
2014–15 (Chand 2017). Table 2 gives the growth rate of farmers' income for various time periods based on Chand (2017).

The growth rate of farmers' income between 2004–05 and 2014–15 has in fact been the highest since the beginning of economic reforms.<sup>3</sup> Various factors contributed to the growth in income of farmers, including generous increases in minimum support price (MSP) and a general shift in terms of trade in favour of agriculture after 2004–05. Table 3 gives the MSP of paddy (common) and wheat since 2004–05. In the case of both crops, the increase was more than double as against a negligible growth of MSP between 1999–2000 and 2004–05. While it did contribute to rise in food price inflation, the net result was also a shift in terms of trade in favour of farmers. Figure 1 presents the index of terms of trade of farmers versus non-farmers.

While the net result of shifting terms of trade in favour of agriculture and high growth rate of value added in agriculture meant that incomes of farmers rose at the fastest level since the economic reforms, rural economy also benefited from an increase in public spending in rural areas led by the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) as well as other schemes such as increased spending on rural housing and construction of rural roads. But it also benefited from increase in the growth of rural non-farm sector, particularly construction, which also contributed to rising rural wages between 2008 and 2013. The net result was a sharp decline in poverty, the fastest since the economic reforms of 1991.

However, the rural economy also came under strain during the second term of UPA government. The rise in fuel prices, rising wages and cost of other inputs contributed to rising cost of cultivation and decline in profits. The rising cost also led to other imbalances which affected the agricultural sector. For example, the increase in fertiliser prices due to the introduction of Nutrient Based Subsidy (NBS) regime that decontrolled the price of complex fertilisers from 2010 also

**Figure 1: Index of Terms of Trade between Farmers and Non-farmers**

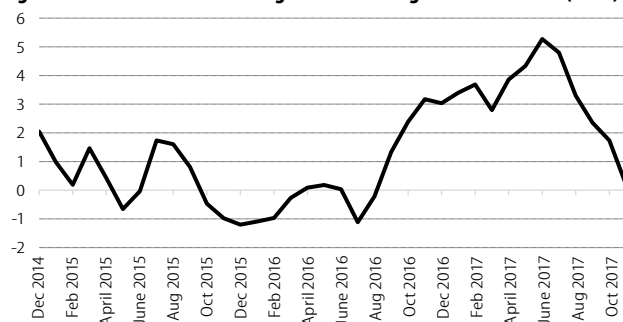


Source: Agricultural Statistics at a Glance.

resulted in the decline in fertiliser consumption. Consumption of fertilisers, which had increased from 19.7 million tonnes in 2000–01 to 28.1 million tonnes in 2010–11, declined to 24.5 million tonnes in 2013–14 before rising marginally to 26.8 million tonnes in 2015–16.<sup>4</sup> The result was sharp deceleration in the growth of farmers' income with growth rate of farmers' income slowing down to 0.44% per annum between 2011–12 and 2015–16 as against a growth rate of farmers' income at 7.5% per annum between 2004–05 and 2011–12.

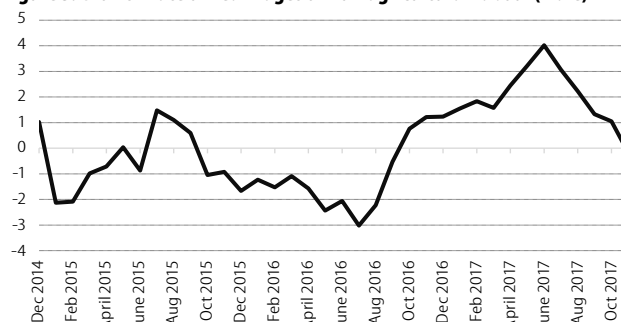
While farmers' incomes stagnated, the drought of 2014 and 2015 also contributed to increasing distress in the rural economy. It was only the third instance of a back-to-back drought since independence.<sup>5</sup> But it came at a time when the rural economy was already under stress. What made matters worse was that the stagnation in farmers' income also coincided with the decline in real wages in rural areas. With self-employed as well as casual workers accounting for almost two-thirds of rural workers witnessing lower incomes, it also contributed to a collapse of rural demand and the rural non-farm economy.

Rural areas witnessed one of the fastest growth of real wages in recent decades between 2008 and 2013. The decline was equally sharp. According to the National Sample Survey Office (NSSO) estimates based on employment–unemployment surveys, real wages in rural areas increased by more than 8% per annum between 2007–08 and 2011–12. While there is no information from NSSO, the Labour Bureau series, *Wage Rates in Rural India (WRRRI)*, shows that the wage rate growth continued until 2012–13. However, since then it has been decelerating and has declined in real terms for both agricultural and non-agricultural labourers. It continued to decline till November 2017,

**Figure 2: Growth Rate of Real Wages of General Agricultural Labour (Male)**

Growth rates are year-on-year.

Source: *Wage Rates in Rural India*, Labour Bureau.

**Figure 3: Growth Rate of Real wages of Non-agricultural Labour (Male)**

Growth rates are year-on-year.

Source: *Wage Rates in Rural India*, Labour Bureau.

the last month for which information is available. Real wages of agricultural labourers have declined at 0.3% per annum between 2013 and 2017, whereas non-agricultural wages have declined by 1.1% during the same period. Figures 2 and 3 give the growth rate of real wages (year-on-year) since December 2014.<sup>6</sup>

The deceleration in growth rate of wages contributed to increasing distress in the rural economy already suffering from back-to-back drought. The distress was further exacerbated by the slowdown in the non-farm economy, particularly construction, which has been a source of alternative employment for many among the rural poor. Construction sector that employed one-third of all new non-farm jobs in rural areas between 1999-2000 and 2004-05 accounted for three-fourths of all new non-farm jobs between 2004-05 and 2011-12. Much of this was driven by the high growth of the construction sector that grew at 9.4% during 1999-2000 and 2004-05 and continued to grow at 7.9% per annum between 2004-05 and 2012-13. However, the growth of the construction sector decelerated to only 3.5% between 2014-15 and 2017-18.

### Rising Farmer Protests

Stagnant real incomes for farmers and declining wages along with slowdown in the non-farm sector have contributed to a rural economy that is under extreme stress. In most cases, loss of income has also resulted in mounting debt among farmers. While available economic indicators are clear in the magnitude of the distress, it has now spilled over to the streets.

In most states, farmers and youth are on the streets protesting against the

government. While Tamil Nadu farmers were in Delhi protesting against the indifferent attitude of the government, farmer protests were organised at a large scale in Maharashtra, Rajasthan, Uttar Pradesh, Chhattisgarh, Gujarat, and Madhya Pradesh. In the case of Madhya Pradesh, protesting farmers were fired upon in June 2017 resulting in the death of five farmers. The National Crime Records Bureau data also confirms the rising anger among farmers with the number of reported farmer protests rising from 628 in 2014 to 2,683 in 2015 and 4,837 in 2016. That is, the frequency of farmer protests increased by almost eight times in just two years of this government. The demand from most farmers has been for some mechanism of ensuring stable and remunerative prices for the produce and a loan waiver to deal with increasing debt.

While farmers' protests on issues of remunerative prices and loan waivers indicate the rising discontent, this is also reflected in the unrest among some of the dominant agrarian communities. The protests by Jats in Haryana and Uttar Pradesh, Patels in Gujarat, and Marathas in Maharashtra suggest a deep discontent with the state of agriculture in these states that are among the agriculturally advanced.

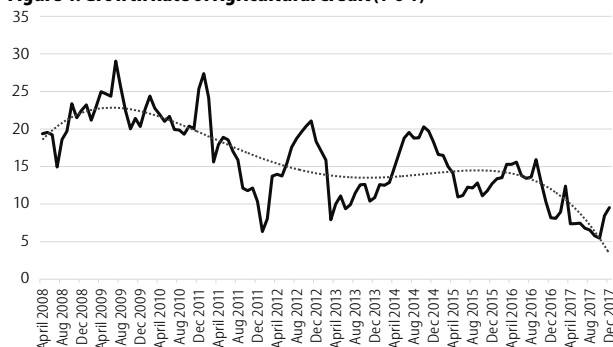
### Neglect of Structural Issues

So how did we reach a situation of extreme distress in rural areas from a situation when rural areas saw the fastest rise in incomes and fastest reduction in poverty between 2004-05 and 2011-12? Much of this has to do with the worsening of the situation in agricultural sector. While back-to-back droughts and fall in commodity prices since 2014 contributed

to the worsening of the situation, it is also a result of neglect of structural factors and indifference of successive governments.

While the situation in rural areas is similar to the level of distress that was seen during the first term of the NDA government, not only did the government underestimate the gravity of the situation but also contributed to it. In most cases, the response of the central and state governments has been to deal with the immediate issues while ignoring the structural factors. Among these, the popular response has been the loan waiver scheme. While state governments, particularly in poll-bound states, have been quick in declaring farm loan waivers, this has not resulted in any improvement in the situation at the ground level. Most recently, the Rajasthan government has decided to implement a loan waiver after the electoral reverses suffered by the ruling party.

One of the important indicators of the neglect of structural issues and the lack of seriousness of the government in responding to agrarian distress has been the decline in agricultural investment during the tenure of the present government. After years of stagnation, investment in agriculture witnessed a reversal of the trend with investment in agriculture rising at 10% in real terms between 2004-05 and 2012-13. As against this, real investment in agriculture has declined at 2.3% per annum between 2013-14 and 2016-17. Similar is the case of credit to agriculture that was increasing at 21% per annum in nominal terms between 2004-05 and 2014-15, rising from ₹1,25,309 crore in 2004-05 to ₹8,45,328 crore by 2014-15. However, the growth in agricultural credit slowed down to

**Figure 4: Growth Rate of Agricultural Credit (Y-O-Y)**

Source: Reserve Bank of India.

12.3% between 2014-15 and 2016-17, rising only to ₹10,65,756 crore in 2016-17. More recent estimates as shown in Figure 4 suggest that this has fallen down to less than 5%.

Lack of investment and access to credit remain obstacles to long-term sustainability of agriculture. However, last two decades have also seen change in the structure of agriculture in the country. Two factors that require immediate attention are the increasing monetisation and mechanisation of agricultural operations and the changing cropping pattern towards cash crops and horticulture. Increasing monetisation has increased the need for credit, including for working capital. However, inadequate supply of agricultural credit has also created a situation of vulnerability and dependence on non-institutional sources of credit. At the same time, shift of cropping pattern to horticultural produce requires more investment in not just traditional investment avenues such as irrigation, but also marketing and storage infrastructure. Both have created a situation where the farmer is more vulnerable to price movements and is increasingly falling into a debt trap with rise in the frequency of demand for loan waivers.

For most governments, central as well as state, the response has been loan waivers rather than investment in agriculture. While agricultural investment and credit indicate a low priority of this government as far as long-term sustainability of agriculture is concerned, even budgetary support to agriculture has not seen requisite expansion. The increase in the budget of ministry of agriculture has not seen a substantial increase, even though the government has tried to

show a higher increase by changing budget heads. Table 4 gives the budget of Ministry of Agriculture and Cooperation<sup>7</sup> for the five budgets under this government. In nominal terms, the increase in the budget of agriculture ministry is only 7% per annum, much

lower than the increase in total government budget. Since budget 2016, the government started including the expenditure on subsidy for providing interest subvention as part of the budget of ministry of agriculture. This head was earlier a part of finance ministry budget but was included as part of ministry of agriculture to show higher allocation on agriculture. But even this budgeted expenditure has not been spent in any year of this government. The largest shortfall in actual expenditure compared to budgeted expenditure happened in 2014 and 2015, the two years that suffered from back-to-back drought.

**Table 4: Budget of Ministry of Agriculture**

	Budget of Ministry of Agriculture					
	Budgeted			Actual		
	Total Expenditure	Interest Subsidy	Without Interest Subsidy	Total	Interest Subsidy	Without Interest Subsidy
2014-15	22,652		22,652	19,255		19,255
2015-16	17,004		17,004	15,296		15,296
2016-17	35,984	15,000	20,984	36,912	13,397	23,515
2017-18	41,855	15,000	26,855	41,105	14,750	26,355
2018-19	46,700	15,000	31,700			

Source: Budget Documents, Ministry of Finance, various years.

The gap between rhetoric and actual commitment on expenditure for agriculture is not just a matter of budget expenditures but is also reflected in the approach of the government to the agriculture and rural sector. Since 2016, budget for majority of programmes, such as Rashtriya Krishi Vikas Yojana (RKVY), which contributed to an improvement in agriculture productivity, has been reduced. For several others, the sharing of costs between the centre and the states was changed, while some have been abolished. The second largest component of the agriculture budget happens to be the budgetary support for the flagship programme of the ministry, the Pradhan Mantri Fasal Bima Yojana (PMFBY). The PMFBY is a

revamped and expanded version of the earlier crop insurance scheme but has seen expansion in recent years. However, while there has been increase in the coverage of the scheme, it remains mired in the same inefficiencies that plagued the earlier insurance schemes. A recent assessment of the programme by Gulati et al (2018) shows that the claims of large increase in coverage remain questionable.

Together, the interest subvention and the insurance support account for 60% of the total expenditure allocation of the ministry of agriculture. On the other hand, there is a net decline in budget allocations in real terms for other interventions for increasing irrigation coverage and other centrally sponsored schemes (CSS). Budget 2017 had allocated ₹17,141 crore for CSS but the government could spend only ₹14,139 crore. This year, the allocation is ₹17,908 crore, only ₹767 crore higher than last year.

Lower expenditures at a time of agrarian distress not only show the insensitivity of the government to agrarian distress but also raise questions on the trustworthiness of the government's commitment to its own words. This is also evident from the grand announcement of providing remunerative prices for all crops based on the Swaminathan Committee recommendations. Not only has this grand announcement been backed by a measly budget allocation of

₹200 crore only, it is also lower than the ₹950 crore actually spent by the government last year. Incidentally, the marginal increase on CSS is almost the same as the decline in allocations for price support operations. The net result is a zero increase in allocations for schemes which matter.

### Promise of Remunerative Prices

Rising agrarian distress has resulted in state governments increasingly taking recourse to loan waiver. While this may have provided relief to the distressed farming community in the short run, it has come at the cost of decline in investment across states on agriculture and rural development.<sup>8</sup> The rising agrarian distress also meant that the government was

forced to respond to the long-standing demand for providing remunerative prices for farmers' produce. This was also one of the recommendations of the Swaminathan Committee that had recommended providing one and half times the cost of cultivation as MSP. This was also included as part of the manifesto of the BJP that promised to implement these recommendations.

However, under pressure from the farmers' groups, the finance minister did announce that the government will finally try to provide remunerative prices to farmers by raising the MSP to one and half times the cost of cultivation from the 2018 kharif season. Like many of the earlier announcements, this was however without any meaningful budgetary allocations with only ₹200 crore allocated on this head. But a later clarification also made it clear that it was not just empty rhetoric without any financial support but was also completely different from the demand that farmers were making. As against the demand for MSP at one and half times of C2 cost, the clarifications suggested that it will be one and half times of A2+FL cost.<sup>9</sup> The cost concept implicit in the Swaminathan Committee recommendations was, cost C2 of the Commission for Agricultural Costs and Prices (CACP) estimates of cost of cultivation.

While declining prices of agricultural commodities and increase in price volatility have certainly contributed to the worsening of agrarian distress, the MSP system is not without its own problems. The CACP announces MSP for 23 crops, which excludes most of the vegetables and horticulture products that have seen large price fluctuations. Even among the 23 crops, most are not procured by the government machinery. In the absence of an active intervention in the market, MSP announcements are just pieces of paper. The only two crops that have seen regular procurement at MSP are paddy and wheat. But even for these two crops, there is large regional variation in the extent of procurement with the entire operation concentrated in a few surplus states. In both these crops, the MSP usually provided the floor, with state governments announcing their own bonuses. The present government scrapped this provision

and most states were asked not to announce bonuses.

Table 5 provides the MSP margins for paddy and wheat over the two cost concepts of A2+FL and C2. For paddy, the MSP that is announced has always been lower than the promised margin of 50% over the C2 cost. It is also lower than the 50% margin over the cost A2+FL except for five years between 2007-08 and 2012-13. During the last four years of this government, it has remained at 40%. On the other hand, MSP has always given a margin of around 100% over the cost A2+FL. But even in the case of wheat, the MSP is below the 50% margin over C2 except for three years from 2007-08 to 2009-10 during the first term of the UPA.

**Table 5: MSP Margins over Different Costs for Paddy and Wheat (%)**

	Paddy		Wheat	
	A2+FL	C2	A2+FL	C2
2004-05	46	5	87	24
2005-06	40	2	79	20
2006-07	36	1	95	32
2007-08	47	8	148	60
2008-09	86	37	157	66
2009-10	107	47	139	57
2010-11	81	35	113	36
2011-12	60	22	111	39
2012-13	48	5	97	23
2013-14	36	6	106	26
2014-15	39	7	95	22
2015-16	38	6	94	31
2016-17	41	7	104	35
2017-18	39	4	112	38

Source: Commission for Agricultural Costs and Prices Reports, various years.

Clearly, the promise of 50% margin over cost A2+FL will not mean anything in the case of wheat, and will at best, mean marginal increase in the case of paddy. While this justifies the negligible budgetary allocation for price support operations by the government, it does show the lack of commitment of the government to its own promises.

### Rural Development Schemes

Rural economy continues to be dominated by the agricultural sector. Recent studies point to the changing nature of rural economy with non-farm sector playing equally important role if not more.<sup>10</sup> The non-farm sector not only contributed to income diversification, and thereby poverty reduction, it also played the role of a shock absorber when the agrarian economy faltered. Public employment

creation through rural works programmes has played an important role in reducing poverty and dealing with weather shocks. However, recent years have seen the government increasingly becoming reluctant to spend money on rural development. The MGNREGA, which played an important role during the first five years of the programme, was neglected by the previous UPA government in its second term. This trend has continued even with this government.<sup>11</sup> The budget allocation for this year is the same as the actual expenditure of last year despite evidence that the performance of MGNREGA was curtailed last year due to supply bottlenecks from the administrative side.

While MGNREGA has been the bulwark of the rural development ministry's intervention in the rural economy, two other programmes that have also contributed to sustaining the rural economy are the rural housing scheme and the rural roads programme. These have not only contributed to improving rural infrastructure but have also contributed indirectly through the creation of non-farm jobs. The rural housing programme (Pradhan Mantri Awas Yojana) has also been showcased by this government with the mission to provide housing for all by 2022. However, like most schemes, this scheme has also seen a rise in ambition followed by a fall in budget allocations. The budget for rural housing has declined from ₹23,000 crore in 2017 to ₹21,000 crore in 2018. On the other hand, there is no decline in the budget allocation for the rural roads programmes (Pradhan Mantri Gram Sadak Yojana), but it has seen under-spending last year. As against the budget allocation of ₹19,000 crore for last year, the actual spending has only been ₹16,900 crore. The inability of the government to spend on these crucial programmes is not just administrative inefficiency but is a larger symptom of political apathy and doublespeak.

### Conclusions

This budget is the fifth and last budget of this government. Therefore, this budget not only needs to be evaluated on the basis of commitments made in this budget but also on the track record of the government in fulfilling its commitments in

earlier budgets. The message from the government's track record is clearly one of overpromise and underperformance. While it is true for most programmes that affect the farmer and the rural poor, it is also a general symptom of empty rhetoric that this government has employed throughout the last four years. This budget was no different and several of the grand announcements such as the National Health Protection Scheme and the promise of remunerative prices to farmers have been accompanied by either no budgetary support, or worse, a decline in allocation. But whether these budgetary allocations, however meagre, will be spent or not is not clear.

Perhaps, the best assessment of this budget is its own economic survey. The opening quote of *Ka barsa jab krishi sukhane*<sup>12</sup> sums up the approach of the government to rural distress. While it is certainly too little and too late to have any significant impact on the rural economy,

the empty rhetoric is also unlikely to materialise in political gain.

#### NOTES

- 1 The incumbent Bharatiya Janata Party (BJP) government suffered losses in the assembly elections in Gujarat in December 2017 and the by-poll in assembly and parliamentary elections in Rajasthan in January. In both cases, discontent arising out of rural distress seemed to have played a role in the negative sentiment against the ruling party.
- 2 Since the methodology of measuring GDP has changed with no back series available for comparison, the growth rate of agricultural GDP presented is based on 2004-05 series. The last year for which information is available in the old series is 2012-13.
- 3 Income of farmers increased at 4.1% per year between 1993-94 and 1999-2000.
- 4 Not only did the NBS increase the cost of fertilisers leading to decline in consumption, it also contributed to the worsening of the fertiliser mix. The ratio of nitrogen, phosphorous and potassium on average was 4.7:2.3:1, close to the ideal ratio of 4:2:1 but deteriorated to 7.2:2.9:1 by 2015-16.
- 5 The first was during 1965-66 and 1966-67, and the second during 1986-87 and 1987-88.
- 6 The choice of December 2013 as the starting month is due to the change in the wage series after November 2013. The new series is not strictly comparable to the earlier series.
- 7 Renamed as Department of Agriculture Cooperation and Farmers' Welfare.

- 8 *Economic Survey 2017* estimated the cost to the economy at 0.7% of GDP.
- 9 Various cost concepts are used by the Commission for Agricultural Costs and Prices. Cost A2+FL refers to the cost concept, including all paid out costs and family labour. Cost C2 is more comprehensive and includes interest on the value of owned capital assets and the rental value of owned land (net of land revenue) and rent paid for leased-in-land over and above cost A2+FL.
- 10 See Himanshu et al (2016) and IDFC (2015).
- 11 Prime Minister Narendra Modi termed it as "example of six decades of failure of the Congress party; it has to pay people to dig ditches."
- 12 From *Ramacharitanas* by Tulsidas. It translates as: "what is the use of that untimely rain after the crop has dried up." It implies the futility of reviving something after it has been destroyed.

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