

# *Fallacious Administrative and Judicial Approach to Farmers' Loan*

## AUTHOR

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## «« Abstract

*This paper analyses the responsibility of judiciary and financial institutions to save the farmers from debt trap and suicide. Really the farmers are not improving by the application of high yielding seeds, quality fertilizers, and powerful pesticides rather they are victimised for this being over shadowed by loan. It is rightly felt the need of a debate and solution to the problem of loan, subsidy, repayment of loan, honesty of related administration, untimely change of weather leading to crop failure, lack of required help lack of arrangement of suitable rate and market. So, in this paper different dimension of judicial provision, constitutional arrangement, responsibility of financial institution and government policies etc have been examined to safeguard the interest of farmers for over all agricultural development of the nation.*

## 1. INTRODUCTION

Farmer and farming play a pivotal role to invigorate the backbone of the nation. If the nation has reached the threshold of success in the field of production and strengthened the backbone is the farmers, then why does a farmer commit suicide? What is the hidden mystery behind farmer's suicide? Is it not for the loan burden, fear of legal action and defective constitutional provisions?

As per the report of National Sample Survey Organisation of India the loan for productive capital expenditure as a percentage of total loans outstanding rises with farm sizes. The share of loan for consumption on unproductive purposes like marriages and other consumption expenditure is much higher for sub marginal farmers at 61% and for marginal farmers is 43%. However, 80% of loan taken by medium and large farms are for productive purposes. The poor farmers- sub marginal and marginal farmers with very low capacity are found it impossible to repay them. As a result of which the vicious circle of indebtedness compel them to commit suicide. A very large numbers of suicides are committed by the farmers in Punjab, Andhra Pradesh, Karnatak, Maharastra, Keral and Orissa.

As per the data presented by Mr. Bhanuji Rao, during the period 1995 to 2002 several thousands of farmers have committed suicides with the number raising too fast from 10,000 to 25,000. Besides, TATA Institute of Social Sciences has studied 644 cases of suicides in Vidharba(Maharastra). Out of this 83% of suicides are committed by small and marginal farmers. The main cause of the suicide is indebtedness.

A plethora of study has been done by researchers, writers, statesmen and