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Abstract

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in concerns related to political economy revolving around judicious distribution of wealth and national income of the country. State governments of India are generally reluctant to waive off the farm loans as a matter of routine due to concomitant burden on exchequer that might adversely affect their fiscal balances. However, political parties tend to use farm loan waiver as tactics to come to power in spite of the fact that such populist measures are not good for the economy, nor do they offer a long-term solution to the age-old problem of higher degree of incidence of indebtedness among the farming communities. This article explores the antecedents and consequences of farm loan waivers and the way forward. Besides, it also reconnoitres whether the state takes such decisions as farm loan waiver purely on the basis of economics or any hidden political agenda.



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About the Authors



Srirang Jha is currently Associate Professor & Head, HR Area at Apeejay School of Management, New Delhi. He holds Master's degree in Labour and Social Welfare and PhD in Social Sciences from T M Bhagalpur University, Bhagalpur. He is a prolific writer. He has published over 500 articles in newspapers and journals such as *The Economic Times*, *Times of India*, *The Hindu*, *Hindustan Times*, *Yojana*, *FII Business Review*, *Review of Management*, *Journal of Politics & Governance*, etc. His areas of interest are public policy issues in financial institutions, labour market, public health, corporate social responsibility and education. He can be reached at jha.srirang@gmail.com




Amiya Kumar Mohapatra is Associate Professor and Chairperson-IQAC at Fortune Institute of International Business (FIIB), New Delhi. He holds a PhD and four Masters Degrees and has completed an FDP from IIM Indore. He has also qualified UGC-NET in three subjects (Economics, Management and Public administration). He has been engaged in teaching as well as research in the areas of Economics, Finance and Public Policy. His main research focus in recent years has been to explore economics from the policy perspectives. He has co-authored five reference books and published twenty one edited books. He has published more than seventy research papers /articles in various indexed journals/magazines/books and also presented his research works at IIM Ahmedabad, IIM Bangalore, IIM Indore, IIT Delhi, Jawaharlal Nehru University, Delhi University to name a few. He is honorary editor of Journal of Management & Public Policy (indexed in EBSCO, ProQuest and Indian citation Index). He can be reached at amiya.mohapatra@fiib.edu.in



Shyam S. Lodha is Professor of Marketing and Global Business at Southern Connecticut State University, USA since 1983. He has been Chair of the Department of Marketing for almost thirty years

(until 2016). He had his education in India and the USA. He began his academic career in 1958 and served at the University of Jodhpur and Indian Institute of Technology, New Delhi. In 1983, he moved to the United States to join Southern Connecticut State University. Dr. Lodha has also taught at the University of New Haven, University of Hartford, Quinnipiac University and other colleges in USA. Dr. Lodha has founded several professional organizations including 'New England Business Administration Association' (NEBAA) and has been editor of 'Business Journal', a referred publication besides being member of editorial boards of various journals. He has published a book and numerous edited works. Dr. Lodha has written several research papers and organized several national, regional and international conferences, symposiums and seminars in the USA and India. He can be reached at lodhas1@southernct.edu

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