

# People's Democracy

(Weekly Organ of the Communist Party of India (Marxist))

Vol. XXXVII  
No. 29  
July 21, 2013

## THE COUNTRY AND THE FARMER

**P Sainath**

*(P Sainath, Rural affairs editor of The Hindu newspaper, delivered special address in the seminars conducted by the Tamilnadu Vivasayikal Sangam, as a prelude to the 33rd conference of the All India Kishan Sabha during July 24-27, 2013 at Cuddalore. He spoke in as many as four centres - Tirunelveli, Kovilpatti, Erode and Tirupur. He extensively dealt with the agrarian crisis. The gist of the various points he presented in all the four seminars is given below, which has been compiled by M Girija)*

LATER this month, the all India conference of AIKS is going to take place for four days in Cuddalore. In these four days, 188 Indian farmers will be committing suicide; more than 2000 will be attempting at suicide (because for every successful suicide, according to the police there are about 12 attempts); more than 8000 farmers will be quitting agriculture or will be losing the status of a farmer; many will be becoming agricultural labourers. However, during the same four days, the central government alone will be writing off almost Rs 5500 crore in tax relief -- in Corporate Income Tax, Import Duties and Excise Duties -- for the richest 1 per cent of Indian society. In the last union budget presented in March 2013, they wrote off a staggering Rs 5,33,000 crore! The biggest capitalists and the largest companies in this country are getting tens of thousands of crores in tax relief. The 'Statement of Revenue Forgone' which is an annexure to the Budget gives this figure and it is several thousand crores of rupees bigger than the budget deficit. So, there will be no crisis if these rich are made to pay their taxes due. Also one of the biggest concessions in import duty, in the current budget, is for gold imports i.e., Rs 60,000 crore. In the last three years more than Rs 1,50,000 crore has been waived in import duties on gold, diamond and jewellery. Now, they are pleading for stoppage of gold imports due to current account deficit crisis. But

it is they who encouraged these imports since 2006 by waiving off more than Rs 3 lakh crore in import duties on this count.

## **THE 'WHITE GOLD'**

Gold has another measurement in the life of farmers. If we are able to comprehend the crisis-hit cotton growing Vidharbha area, we can understand this measurement. Let us compare the status of cotton growing farmers there in the 60s and 70s and now. They were actually prosperous and were sending their children to private medical colleges in Mumbai. In those days, cotton was called white gold because the price that the farmer got for cotton was better than that of gold. As late as 1974, the price a farmer received for one quintal of cotton was greater than the cost of 10 gms of gold. But today, to buy those 10 gms of gold, he has to sell 6 to 7 quintals of cotton. Last year he had to sell 10 quintals when the price of gold went above Rs 30,000 for 10 gms. So, this gives a picture of how the farmer's lives changed over this period. And now with the latest decision of the central government to double the prices of natural gas, the farmers are going to be hit very badly, because it will lead to a huge increase in electricity cost and a gigantic increase in fertiliser cost. This is the kind of situation in which the AIKS conference is going to meet.

The first element of the agrarian crisis is the collapse of investment in agriculture. If you take agriculture and the allied activities, in the last budget of V P Singh in 1989, allocations to agriculture, irrigation and allied activities came to around 14 per cent of GDP. By 2004, it was less than 6 per cent and that is why in 2004, all the incumbent governments in major states were defeated by the farmers, for example S M Krishna in Karnataka and Chandrababu Naidu in Andhra Pradesh. It was the farming vote that threw these people out of power because of the damage they had done to the farmers. Therefore, the farmers should know their strength. They are not weak and they are not alone; they are capable of taking on these governments.

## **WHO IS A FARMER?**

Another little fallacy that people do not often realise is that there are far fewer farmers in the country than it is normally assumed. We have great neo-liberal economists Jagadish Bhagavathi, Aravind Managreyra writing that 53 per cent of Indians are farmers. It shows that these great economists do not know who is a farmer in this country. Over 50 per cent of the population is connected to

agriculture. Being connected to agriculture is not the same thing as being a farmer. Everybody in the film industry is not an actor; everybody in the education industry is not a student. And everybody in agriculture is not a farmer. In the Census, you have a definition of who is a cultivator. There are several categories of cultivators. One is main cultivator, i.e., somebody who does agriculture for at least 183 days in a year. That person is considered to be entirely dependent on agriculture as the main source of occupation, livelihood and income and he is called the main cultivator. Then there is marginal cultivator, i.e., those who do three to six months of agricultural work in a year, and even if it may be one to three months of entirely casual work. Then there are agricultural labourers who can further be classified as main workers and marginal workers. But if we take who the Census considers to be a real or main cultivator, it is less than 8 per cent of the Indian population. If we add marginal cultivators, it comes to 9.9 per cent and if we add the agricultural labourers, then it comes to 23 per cent of the population. And this number of farmers is shrinking dramatically. Between 2001 census and 2011 census, 7.7 million people have stopped being farmers or they lost the status of main cultivator. How do we know that they lost the status of main cultivator? Because as the number of farmers is going down in the census, the number of agricultural labourers is going up. In Andhra Pradesh, a large number of the farmers have lost control of their land, lives and they are no longer able to do 183 days of agriculture and they have been forced to become agricultural labourers. If we look back at the 60s, 70s and even 80s, the number of farmers rose very dramatically. However, in the 1991 to 2011 census, farmers declined by 7.2 million, which means that in the 20 years of economic reforms, this country has lost 15 millions of people classified as farmers. It also means that on an average we are losing 2000 farmers per day. If you take just the last 10 years, the number works out to 2035 per day. According to the Planning Commission figures, 14 million jobs were lost in agricultural sector during 2005 to 2010. So, to say 50 per cent of the our population is farmers is not correct. But it is correct to say that around 50 to 60 per cent of population are dependent on or connected to agriculture. This is the picture of the farmers.

## **IN THE HANDS OF CORPORATES**

So, let us try to put in one sentence about agrarian crisis. The crisis is that the Indian ruling classes have decided to take agriculture out of the hands of small farmers and hand it over to the biggest corporates in the country. For instance, you can see who all have registered themselves as farmers in Maharashtra. The laws have been changed so that the credit in agriculture, rural credit or agricultural credit is now going to the biggest companies in the country. In Maharashtra, in the

year 2010, an analysis of agricultural credit by an officer of Reserve Bank of India shows that 53 per cent of agricultural credit in the state has been disbursed in Mumbai Metro branches of banks whereas in the entire rural Maharashtra, only 38 per cent of the loans were disbursed by the rural branches of the banks.

Where are the farmers in the city of Mumbai? Mukesh Ambani and Amitabh Bachchan are the farmers there. These are the new farmers. Another fact, not just Maharashtra but all over the country, throughout the 90s, the government has closed down rural bank branches. In 1993, 60 per cent of the branches of the banks in the country, including all commercial banks, scheduled banks, rural banks, etc, were in the countryside. By 2008, it came down to less than 48 per cent. Because of the kind of crisis it produced, in 2009-10 they have been trying to open up few branches and they are starting the system of banking business correspondent, who is becoming the new money lender. Each time he has to give a loan or approve the loan, he takes money from the farmer and there is a set rate for this.

It may be surprising that, in fact, the amount of agricultural credit has gone up very significantly. But it is not the small farmer who is getting it. Many things are included in the scheme of agricultural credit and justified. Some might appear simply funny. In 2010, the town of Aurangabad entered Guinness Book of Records, Limca Book of Records when a small group of businessmen bought 150 Mercedes Benz cars at one shot to show what a great city theirs is. The cost of 150 Mercedes Benz cars is Rs 66 crore. Out of this, Rs 44 crore came from public sector bank, SBI, at 7 per cent interest rate. I asked the same branch of SBI, if I am a farmer and buying a tractor, what will be the rate of interest. The reply was 14 per cent. So, 7 per cent for luxury Mercedes Benz car and 14 per cent for a productive tractor. That captures the hostility of the Indian State towards the small farmers. This tells you the kind of discrimination that is going on. Under the new way that they define the agricultural credit, if Mukesh Ambani opens a cold storage in Anna Salai, Chennai, he will get credit at 4 per cent, because cold storage is to keep the vegetables and it is agriculture. The farmer who grows those vegetables is committing suicide as there is no credit for him. But they have defined agricultural credit and in every budget, they have expanded the meaning of this word. So, there is a huge credit squeeze on the farmers. All over the country, in many districts that I visit, people are telling me that banks have declared very low interest rates but are not giving loans to us.

Nationally till 2010, according to the study by Prof Ramakumar of Tata Institute of Social Sciences, the loans that are decreasing very fast are the category of loans

ranging from Rs 50,000 to Rs 2 lakh which is taken by smaller farmers. These have reduced to 50 per cent between 2000 and 2008. At the same time, the loans in agriculture that have gone up and doubled are the loans above Rs 10 crore. Such loans are going not to the farmers but to the corporates. It is going into the manufacture of agricultural machinery. All sorts of write-offs are being given to the corporate sector. The government of India, along with FICCI, is mooting a scheme called "Million Farmer Initiative" and the budget allocation for this scheme is Rs 7000 crore, with Rs 3000 crore being subsidies from the government of India. In Tamilnadu, ITC which has its headquarters in Kolkata, is going to implement this new initiative. Under this, the MBA graduates and executives of ITC are going to teach our farmers how to grow ragi, chilli, cumin seeds and tobacco. This clearly shows the intention of the government to drive the Indian agricultural sector towards corporate farming.

Essentially the agrarian crisis is the shift of Indian State in moving millions of people away from agriculture and handing over agriculture to the corporate sector. That is the heart and soul of the agrarian crisis in the country.

## **INDEBTEDNESS AND SUICIDES**

At the same time, the government is for a market-based pricing policy. This is an arbitrary thing like they have acted recently in their attempt to double the gas price. It has no basis in market or in the Indian production system. They raise prices for all the inputs of agriculture. In the last 15 years, fertilizer cost has gone up tremendously. If we look at the price of Di-Ammonium Posphate (DAP), the price of one bag of DAP in 1991 was Rs 180; in 2011 it had reached Rs 534, and now in Tamilnadu it is Rs 1250. Water is being privatised throughout the country. So the cost of cultivation has gone up by five times but the income of farmer has not gone up by 5 times and the people are forced to drop out of agriculture. They have gone bankrupt as there is no credit available from institutions. They have turned to the money lender and thus their debt has grown manifold. Most of the suicides by the farmers are linked to such indebtedness. I have visited 850 households where there have been suicides and in every case, there was a huge debt - not only debt on agriculture, but also debt on health, education expenditure. Today in rural India, health expenditure is the second largest component of the family debt. The combination of debt, indebtedness, lack of credit, collapse of agriculture, and cost of agriculture – all drove the farmers to commit suicide.

As per the data published in the end of June, 2013 by the National Crime Records Bureau (NCRB) during the period of 18 years from 1995 to 2013, the number of Indian farmers who committed suicide is 2,84,694. This number, however, does not include the tens of thousands of women farmers who committed suicide. The police and the government of India don't count the women as women farmers, but count them as farmer's wife. So, in the official statistics we could see only 8 to 10 per cent of women farmers' suicide, which is not true.

Similarly, the official figure excludes the SC/ST farmers. Very often the police say that the patta is not clear. Even after deducting the number of women farmers, SC/ST farmers, the suicide figures touch 2,84,694. It means, in the last 9 years, one farmer on an average kills himself in every 32 minutes in this country. Suicides are not the crisis, but the consequences of the crisis; not the origin of crisis but the outcome of the crisis. Thus, the neo-liberal policies of the rulers - credit squeeze, escalation in cultivation cost, etc. - are precisely starving investment in agricultural sector. This is done with the intention of transferring agriculture from the small farmers to the big corporates. By the way, they have taken over lakhs and lakhs of land from the farmers. Recently, in the struggle against POSCO, the fields where betel leaves were being grown got shifted to mining. The census data and the National Sample Survey show us that huge migrations have occurred as millions of people have left the villages and this has created additional complications. Men, even when they remain in the countryside, have moved out of agriculture. This increases pressure on women farmer tremendously. They, who were earlier spending time in looking after the livestock, have now become agricultural labourers. Therefore, you can see the rise in the number of women agricultural labourers. Since 1997, there is an absolute decline in the number of cattle and goats, because women who were looking after them earlier, have now switched over to other works. But these women are now doing 10 times more work.

## **POSSIBLE SOLUTIONS**

In such a situation, we have to fight for implementation of the main recommendations of the National Commission of Farmers. In 2004, because of the large number of farmer suicides, the government of India set up this Commission headed by Professor M S Swaminathan. In 2007, he submitted four volumes of report to the then minister for agriculture, Sharad Pawar. They contain many progressive recommendations. Even after a lapse of six years since then, there is no discussion in parliament on this report! Our minister has not tabled it on the floor of parliament for discussion even for a minute. However, they had time to discuss whether the benefits of KG Basin should go to Anil Ambani or Mukesh Ambani,

though it belongs to the people of Andhra Pradesh. One of the recommendations is cost of production plus 50 per cent should be the price what a farmer should get. The report also speaks of 'low interest loans', and in drought hit areas 'no interest loans'. The MPs belonging to the Left parties have demanded a special session on agriculture to discuss this report. Though Sharad Pawar agreed to it, it is not to be so far. In fact, Sharad Pawar has never again spoken to Professor M S Swaminathan. Perhaps, he is angry with him for not giving the report as Pawar wanted it to be – that is entirely in favour of corporate agriculture. Therefore, we should fight for the implementation of the recommendations of the National Commission of Farmers that deals with the agrarian crisis in the country between 2004 and 2007.

We should demand a special session of parliament just to discuss the agrarian crisis and nothing else. We should also demand that agriculture in India be declared a public service. People in agriculture are in the lowest income sector. One of the recommendations of the Commission says, "Don't count agricultural growth only in terms of output of products, but calculate it on the basis of income of the farmers".

Apart from these, we should also look at two other issues - research in social sector issues, and policy on economic issues. In the social sector, we need to focus on research. Today, the public Agricultural Universities and Indian Council of Agricultural Research remain sold out, and they are entirely working for MNCs like Monsanto, Cargill and others. The universities and ICAR are not working for the farmers. Everyday they insist that this is the best thing and this is the best seed in the world etc. Our farmers are being cheated by them. Hence, the All India Kisan Sabha at the national level, state level and if possible at the district level, start advanced research cells in agriculture, at least in a small way. It may be one or two acres of experimental plots. Because, today we need to study what is happening to the fertility of soil in each district. Soil erosion has been so great. The loss of fertility is 20 to 25 per cent in different parts of the country and this is because sometimes we grow wrong crops or some times we use too much chemicals and pesticides. Therefore, the AIKS should focus on this aspect and find out which is the most beneficial crop to the farmer of the particular area. Farmers' Unions in many countries are participating in research. We need to have a re-look at the usage of water. We also should think about community supported agriculture. Just imagine, 50 families residing in an area can make an agreement with the local group of farmers about all their farm needs. In such situation, the farmer groups in the area can know in advance what and how much to grow.

When we look at the political and economic issues aspects, we have to challenge the neo-liberal regime. We have to force them to take back the policies of the last 20 years. We have to restore the credit situation which is due to Indian farmers and that has to be done by mass struggle. If we look at the history of the country, we can see that it was the peasantry of the country, and not the urban leaders and lawyers alone, who brought down the British Empire. In 1857, in the first war of independence, the role of peasants could be seen. In 1948, peasants of Telengana led by the Communists fought against the Nizam, defeated him, captured 10 lakh acres of land and distributed them among the landless. In the 50s, Kerala saw the land reforms. In the 70s and 80s, we have West Bengal land reforms. Still, there are many more tasks that remain unfinished.

In India, the period of 50s, 60s and 70s saw mass movements of farmers. But, 90s and 2000s saw mass suicides of farmers. This is not a solution but a surrender. Therefore, let us go back to the 50s, 60s and 70s and start confronting the policies, fight for the rights to see that agriculture stays in the hands of the farmers, and not get shifted to the hands of corporates. Let us fight against corporate takeover of Indian agriculture. Looking at the history of the Indian farmers, please conclude that you can do and you can win. When the farmers of the country step out and confront the corporates, it will be a bitter and horrible struggle. Ultimately, farmers are bound to succeed.