

# Political Economy of Agrarian Distress

*The reasons for agrarian distress in India lie in the conjunction of the changing nature of agriculture and democratic politics. With cultivation becoming an unrewarding occupation, the growing disparities of wealth between the rural and urban areas, the inability of farmers to unite and bring pressure on the governments and a disjuncture between the interests of the farmers and those of the political representatives, have all led to the neglect of agriculture and deterioration in the condition of farmers.*

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The papers in this special issue of *EPW* deal with the various aspects of agrarian distress in different states of India affected by the tragedy of farmers' suicides in recent years. They seek to relate this distress to the changing nature of agriculture, economics of production, policies of the government, and the ongoing reforms in the country. Since each paper highlights the agrarian distress in a specific state, all of them together enable us to understand the phenomenon in a comparative perspective. It is hoped that the papers would contribute to the ongoing discussion on the agrarian condition and ways to address the emergent challenges.

That agriculture in India is passing through a difficult time is now widely acknowledged by major political parties, statutory bodies and research studies. The spate of suicides since 1997-98 is considered a tragic manifestation of the deteriorating condition of the farmers. For instance, talking about the "serial suicides", the 1998 election manifesto of the Bharatiya Janata Party said: "In the last five decades, a majority of kisans have become poor and harried outcasts in their own country, with no respectful place in the government scheme of things. Today they are on the margins of India's economic, social, cultural and political life".<sup>1</sup> The National Agricultural Policy of the ministry of agriculture, government of India (2000), said: "Agriculture has become a relatively unrewarding profession due to a generally unfavourable price regime and low value addition, causing abandoning of farming and increasing migration from rural areas. The situation is likely to be exacerbated further in the wake of integration of agricultural trade in the global system, unless immediate corrective measures are taken." The Commission on Farmers' Welfare set up by the government of Andhra Pradesh (2005) came to the conclusion that agriculture in the state was in "an advanced stage of crisis...The most extreme manifestation of the crisis is in the suicides by farmers". The chairman of the National Commission of Farmers, M S Swaminathan, says that "something is terribly wrong in the countryside".

The Situation Assessment Survey of Farmers, carried out during the year 2003, by the National Sample Survey Organisation, came out with several startling findings on farmers' conditions: half of the farmers are indebted and much of the indebtedness was due to agricultural expenses; inequality in income between the rural and urban households, and between the cultivators and non-cultivators has been growing; the monthly per capita consumer expenditure of about three-fourths of the farmers was less than Rs 615. Other official statistics also show alarming trends: the growth rate of agriculture has decelerated over the last 15 years; there has been no employment growth in agriculture; the proportion of marginal and small holdings has been on the

rise and the share of agriculture in GDP has been going down while the proportion of people dependent on agriculture for their livelihood has remained more or less stable.

Economists, social activists and advocacy groups who have studied farmers' suicides have pointed out several structural and social factors responsible for this situation: the changed pattern of landholdings; changed cropping pattern due to a shift away from light crops to cash crops; liberalisation policies which prematurely pushed Indian agriculture into the global markets without a level-playing field; heavy dependence on high-cost paid out inputs; growing costs of cultivation; volatility of crop output; market vagaries; lack of remunerative prices; indebtedness; neglect of agriculture by the government; decline of public investment; break up of joint families; individualisation of agricultural operations, so on and so forth. Some of the reports and studies have argued that agrarian distress is the result of the policies pursued by the governments over the years.

Let us note that agrarian distress is not new to India; but farmers' suicides are. In the history of the country over the past several centuries, we have heard distress stories due to drought, pest and failure of crops. We have heard of the accounts of farmers abandoning cultivation and leaving their villages during medieval times. Farmers faced worst price falls, crop failures and the burden of debt and land revenue during the British rule. But what is happening today seems to be qualitatively different. According to official statistics there were 8,900 suicides by farmers between 2001 and 2006 in the four states of Andhra Pradesh, Karnataka, Kerala and Maharashtra.<sup>2</sup> Earlier, farmers in distress might have become dacoits or rebels, but never did we hear that they committed suicides. If farmers' suicides were isolated cases occurring now and then, we could shrug them away as aberrations. But they have been happening in droves and the frightening phenomenon continues to persist and recur year after year, without any signs of abatement. Inasmuch as these suicides reveal the plight of the victims, they also tell us a great deal about the plight of the farmers who are alive but whose condition bears a close resemblance to that of the victims.

Why has such a condition arisen? What happened to the slogan of peasant raj, which N G Ranga once talked about? It may be true that the decline of agriculture, in terms of its share in the national income, and the growth of inequalities are universally the necessary concomitants of capitalist growth, but the

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question is what kind of interventions can the governments make so that this transition is less painful to the farmers and in a way that suits the specific conditions of a country. Why have governments in India failed in that direction? While the papers in this collection deal with various economic and policy aspects of the problem, what I propose to do in this introductory essay is to examine the interrelationship between the structural and economic changes over the past five decades or so after independence to the political domain and see how the changed nature of politics and policy priorities in the recent past have exacerbated agrarian distress in the country. It is based on the premise that political interventions are possible, both from the side of the farmers, political parties and social activists as well as the government, to negotiate the challenges that arise in the process of transition of Indian agriculture.

Let us look at two paradoxical situations. First, a large number of farmers' suicides have been reported from the states, which are (a) relatively agriculturally developed, (b) which have seen strong peasant movements either in the colonial or post-independence periods or both, and (c) where the leadership of political parties has come predominantly from farming communities. Karnataka, Kerala, Tamil Nadu, Andhra Pradesh, Maharashtra, Gujarat, and Punjab are the worst affected states and all of them share some or all of these characteristics. One would normally expect that the condition of peasants would be better where agriculture is developed; where the farmers, through agitations and movements, could bring pressure on the governments to make policies favourable to them; and where the political leaders hail from their own communities. If at all agriculturists could compete in the global markets and reap benefits from the liberalisation of trade it should have been these regions with a diversified agriculture. But it is these regions that have felt most the adverse impact of policies in the post-liberalisation period, where farmers have perished in a large numbers. How do we explain the mounting despair in these states? Is it precisely because of these factors or despite these factors that the agrarian distress is greater in these states?

Second, it is widely agreed that democracy in India is more stable and successful than in any other developing country; that the Indian polity has been able to respond to and accommodate the interests of different sections of the population. That is what the textbooks say and that is what we tell students in the classrooms. In political theory it is presumed that in a mass electoral democracy the voice of a larger number of people would tend to have a greater say in running the affairs of the government. In fact this is what democracy is feared for. But this does not seem to happen in India. Especially at the state level, a large proportion of political representatives claim to come from a farmers' background, but farmers' interests hardly find space in their imagination. Again it is a paradox that the interests of the farmers who constitute a large chunk, probably one-fifth, of the electorate are not cared for by the government in a democracy. How and why is it that farmers are increasingly getting marginalised both economically and politically? Why is it that political representatives hardly discuss farmers' problems in the legislatures? How come there was no well-worked out agricultural policy for the country, and even when such a policy was framed, as in 2000, why is the promise not backed by actual policies? Why has public investment in agriculture gone down to such abysmal levels? Is it because political parties take electoral support from a farmers for granted? Is it because farmers are socially and politically divided and not organised to bring pressure on the government? If not, what else are the factors that

contribute to such a situation? What follows is an attempt to examine these paradoxes.

## Changes in Agrarian Political Economy

Changes in the agrarian condition in India as a result of the British rule are well known. Let me restate certain aspects which are relevant to the present context. The introduction of a definite right to private property in land, increased market-oriented (including global) production, better irrigation and transport facilities, growth of usury capital and flow of money into land, etc, brought about far-reaching changes in India's agrarian land structure as well as the agrarian condition – at times favourable and at times oppressive for the farmers.

This process had aspects of both development and degradation. Sections of peasants benefited from these changes as productivity increased, primarily due to irrigation facilities. Crops brought marginal, and some times more than marginal, monetary returns. Farmers' children went to schools; were employed in government; and took to different occupations, some of them moving to towns. At the same time, the "extraction of surplus" from agriculture through land revenue and price mechanisms and collection of other cesses led to great misery and indebtedness among certain sections of the peasantry. In years of crop failure and price depression in markets, all suffered badly. It was this new prosperity, on the one hand, and oppression in the hands of the zamindars and the British government on the other, which made the farmers to join the nationalist struggle. The peasant movements and campaigns of this period primarily centred round the demand for retaining a greater share of the agrarian surplus for the cultivators – whether it was against the zamindar or the landlord or the government. Even the campaigns during the Great Depression of the 1930s had this character. It seems that it was not distress that led to the peasant upsurge in the second quarter of the 20th century, but relative development and improvement in the agrarian condition.

There seem to be three phases in the evolution of agrarian relations after independence: reform and consolidation of the agriculture during the 1950s and 1960s on the lines charted out during the freedom struggle; The green revolution and the growth of political populism during the 1970s and 1980s; and that of liberalisation and the deterioration of the farmers' condition during the 1990s and after. Immediately after independence, the ruling Congress Party came forward with several pro-peasant policies, such as the abolition of intermediaries, reduction of land revenue, provision of irrigation facilities and a greater share in political power for the farming communities at the state level. This also suited the strategy of import substitution and industrial development pursued after independence – ensuring that farmers produced necessary surplus foodgrains, which would free India from its chronic dependence on foreign countries and also enable the government to divert valuable foreign exchange to investment in industries; ensure the supply of raw materials necessary for the expansion of industries and provide markets for the manufacturing sector. The growth of agriculture was looked upon as a means to achieve some other end. The improvement in the living conditions of the farmers itself was not the objective because both capitalist and socialist theorists consider the transfer of the agrarian surplus as the necessary condition for the growth of industry and both entertain a contempt for the peasants. But this instrumental view helped the farmers at least to some extent.

While the ownership of land by the cultivator and the provision of infrastructure facilities by the government were emphasised

for augmenting production in agriculture during the first two decades after independence, the need to take up modern methods of cultivation, such as the use of machinery, high yielding variety seeds, and fertilisers and pesticides, was emphasised after the advent of the green revolution. While the new strategy led to an increase in agricultural productivity, it also had other consequences, probably unintended, that adversely affected rural life. With the increased use of machinery for agricultural operations, cultivation of single crops under the pressure of the markets, (coupled with the increase in the number of small holdings), the earlier practices of farmers cooperating with each other in agricultural operations began to die out. Such cooperation was now neither needed nor feasible. Agriculture became a cash-based individual enterprise requiring high investments in modern inputs and wage labour. Now, a farmer has to draw more and more credit to plough it into the land. As a result, the demand for credit had increased by several times when compared to the earlier period. Lack of remunerative prices in such a situation would cause immense trouble to farmers. If, in addition, the crop fails – due to either natural or man-made factors – the farmer's economy is doomed. The uncertainty of crop yield and fluctuations in the prices of agricultural produce caused a great deal of mental distress to the farmers.

Political precept and practice had also undergone a great deal of change during this period. The late 1960s saw an intense inner party struggle for power in the Congress at the central level. The group under Indira Gandhi, who resorted to populist measures with a view to upstage her rivals in the party, finally won this battle. Later, a second round of land reforms, especially land-ceiling legislation, came onto the political agenda to take the steam off from the communists and also gain electoral advantage by attracting the support of the landless and the socially backward sections. The central Congress leadership also saw in this a means to undermine the domination of the leaders from the farming communities at the state level. The extent of land redistributed as a result of land reforms may not have been large; that is a different matter. But what is important to note is that the policy had the effect of bringing significant changes in social relations and in the perceptions of the different classes. With the decline of the traditional land structure, the traditional power structure in the villages too declined, without any new coherent participatory democratic institutions taking their place. Land was no more the object of attraction or site of investment, or a source of social status. Members of farming communities who had been attached to land for several centuries began to get disinterested in agriculture. They began to turn their face towards opportunities elsewhere – in business, industry, education and employment. Actually those families that moved out of villages fared much better than those that remained in the villages, either knowingly or unknowingly.

Liberalisation policies added to the woes of agriculture. In general, the reports on the condition of agriculture in the developing nations show that these policies – removing state support to agriculture and diluting import restrictions – during the past 20-odd years had actually led to its degradation, instead of the promised growth and development of the farmers in these countries. The developed nations, especially the US and the European Union countries continue with their policies of state support to their farmers and urge the developing nations to reform their tariff regimes to facilitate imports or free entry of multinational companies in the seed and pesticide markets. While the developed nations could successfully use the WTO terms relating to tariff regimes, anti-dumping laws and dumping food in the name of

aid or dumping other agrarian produce in the markets of the developing nations with high subsidies to their farmers that destroyed the farmers' economy in the developing nations, the developing nations could do little to resist this onslaught. Clearly, the farmers seem to be the losers in the process of development achieved under the policies of globalisation and free trade based on comparative advantage.

It may not be possible for India to imitate the same growth models, due to economic, historical and political reasons. The place of agriculture in the western countries, both in terms of national income and employment, had declined due to rapid industrialisation over two centuries. Those who lost employment in agriculture could find alternative employment in industry and urban areas. But India, like several other developing nations, does not enjoy this symmetrical development of the departments of agriculture and industry. It may not be bad for a nation if the share of agriculture goes down and along with a decline in the share of manufacture there is a rise in the share of services. The industrialised western nations are passing through this trajectory. But in countries like India this did not happen: agricultural income declined without a corresponding decline in the population dependent on agriculture or growth of manufacture. Now in India about two-thirds of people live in rural areas, but they share less than 25 per cent of national income. Thus, the degradation of the living conditions of the rural classes has less to do with agriculture itself, but more in the nature of economic and industrial development in the country. This could be the main source of difficulty for the farmers and the dilemma for policy-makers. As industrial development has become distorted and stunted in the developing nations, either due to the domination of the western nations over the consumer markets (including the hi-tech ones) or extraction of surplus from the developing nations through non-economic means, the growth rates of the economy mainly based on services have little meaning to those engaged in agriculture.

We should also realise that historically the character of Indian agriculture is different. Whether we should call India a peasant society or not, there could be disagreement. But it is characterised by the presence of crores of small and medium farmers who have been dependent on family labour for cultivation. We never had feudalism of the type that prevailed in Europe. Nor can we follow the farming system of the US, where agriculture began as a capitalist enterprise without any antecedent feudalism. Thus, the Indian agriculture cannot imitate either the "Prussian path" or the "American path". Nor can India follow the model of agriculture as developed in Latin American countries, such as Brazil or Mexico, which is characterised by large farm estates, mostly controlled by the multinational agribusiness corporations.

Politically too India is experimenting to effect a transformation of Indian agriculture to modernity in a democratic polity. Very few countries have trodden this path. The absolutist states with control over external markets brought about agricultural transformation through force and plunder. India does not have an absolutist state or the advantage of captive external markets.

There are divergent views on the nature and extent of liberalisation reforms in agriculture and their impact. But the statistics on the state of the Indian agriculture give us a depressing view. The agricultural output in the post-reform period decelerated to 2.4 per cent per annum during the 1990s against 3.5 per cent during the 1980s. It has slumped further during the last few years, reaching an abysmal low of 1.5 per cent in 2004-05. The share of agriculture in GDP has been declining. Public investment in agriculture has gone down. Imports have

been increasing as the tariffs are lowered. Between 1996-97 and 2003-04 imports have increased 270 per cent by volume and 300 per cent in value terms.<sup>3</sup> Farmers of India are squeezed from both sides – by the high cost of seeds and pesticides of the foreign companies and cheap imports from the heavily subsidised western nations on the one hand and the indifference of state and withdrawal of its support on the other. Is it not ironical that the experts and social activists have to demand that farmers, once regarded as food providers, should be given free ration so that they are not starved to death!

Some commentators, economists and agriculturalists render advice to farmers that they, in order to get out of this predicament, should give up growing investment-heavy and ecologically hazardous crops such as cotton. They blame the farmers for the wanton use of pesticides and wasting money on excessive use of inputs like water and fertilisers. Recently, when I visited a village in Andhra Pradesh, I asked a group of farmers: “Why don’t you think of giving up cotton cultivation which anyway is not giving you adequate returns over the years and which is destroying the ecology with disastrous implications to your future agriculture”? They said: “We know that. But we are already neck-deep in debt. How can we repay the debt if we grow light crops, which may be sufficient to feed ourselves but do not give us any thing to repay the loans we have already incurred. We have reached a stage where we have to keep afloat or sink with this white gold (an euphemism for cotton)”. Thus, the farmers seem to be caught between the devil and the deep sea. Some experts point out that the present cropping pattern is unviable and that the farmers have to diversify and shift to high-value non-food crops, such as flowers and fruits that can be exported. We should keep in mind that the farmers in states with greater diversity in agriculture are more indebted and under more despair than farmers in the states with less diversified agriculture.

So farmers keep on borrowing and investing in cultivation of these cash crops, with a hope for good harvest and good prices in the next season. A good crop alone would not be sufficient to brighten their financial prospects. Their produce has to fetch a good price too. But these two rarely happen together. A combination of low crop yields and high prices was rare in the pre-liberalisation times. But with markets becoming, national and global, a low crop yield in a region does not lead to higher prices. Volatility in crop yields and low prices for several years together wreak havoc with farmers’ lives. Farmers say that cultivation has become a gamble, because they are not certain whether they would get a good crop; and when they reap a good crop whether they would get a good price.<sup>4</sup> Only the lending institutions, moneylenders, financiers and traders in fertilisers, pesticides and seeds seem to have gained out of the mounting debts of the farmers. Pauperisation of the farmers seems to be directly related to the prosperity of the moneylenders, traders, merchants, commission agents and urban professionals. This has also led to the growth of political clout of these classes of people, while the farmers are increasingly marginalised.

Suicide after suicide in every state reveals the same story. The sequence is more or less the same – heavy investments on inputs, crop failure, inability to pay back the loans and mounting debts leading to suicide. Several commentators often say: “Provide more credit to farmers”. They say that since the institutional credit does not meet the credit demand of the farmers, they borrow from private moneylenders at higher rates of interest; so institutional credit has to be increased. But the question is not merely about the supply of credit to farmers at lower interest rates, but the farmer’s ability to repay it. If the crop fails once or twice in five

or six years, he can withstand the loss and repay the loans in a better crop year. But how could he cope with the situation where the crops fail or the prices fall below the cost of production for prolonged periods? Crop insurance is scarcely available and wherever it is available, the relief scarcely comes when the crop fails, because the insurance companies find umpteen methods to avoid the payment of compensation. The minimum support price (MSP) for several crops for several years was below the market price, and when the MSP was higher than the market price, the procurement agencies do not procure the produce on one or the other ground. If we look at the outstanding debts of the farmers who committed suicide out of fear of inability to repay the loans, they are not very large by the standards of an ordinary salaried person or a small trader in an urban area. But all the employees or most of the traders have assured incomes and most of the traders have assured returns. No farmer can be confident of a minimum return on his labour and investment.

As agriculture becomes less remunerative, farmers find it difficult to meet family needs. Expenditure on education and health has gone up in recent years. Besides, there is expenditure on clothes, domestic electricity, cable TV, etc. The expenditure on education has become a major source of drain on farmers’ meagre incomes. Farmers do not want to send their children to government schools. Now, they find that if their children study in village schools and ordinary colleges it is virtually impossible for them to get admission into professional courses, good institutes and get through competitive examinations. They see the townspeople and employees sending their children to private schools and coaching institutes and then getting good jobs afterwards. So they too want to send their children to such schools, coaching centres and institutes. When I met members of the family of suicide victims in Andhra Pradesh and Kerala, I found that the major concern among the survivors of the family was the future education of their children.

Whether it is low prices, usurious interest rates, high input costs or high costs of education and health, all seem to be various ways to transfer wealth from cultivators to traders, manufacturers, moneylenders, doctors, lawyers, educational entrepreneurs or the salaried classes. In development economics they call this extraction of surplus from agriculture. But now the word surplus has little meaning, because it is not the surplus, the difference between the value of the produce finally realised and the cost of production, but expropriation of a portion of investments made by the farmer in the form of paid out inputs. Due to this the survival of farmers is endangered.

The loss of status, uncertainty of income, unbearable debts, unfulfilled needs and the inability to decipher the factors responsible for the downslide of their economic condition, all combine to make farmers desperate. It is not poverty that kills them. Studies of suicides say that those who are poor are less inclined to commit suicide. Those who normally lead a better life or are socially expected to live a certain standard of life, but fall into difficult circumstances are more prone to mental depression and commit suicide. It is not poverty that drives a farmer to despair, but pauperisation and immiserisation, a disjuncture between the expected and actual status, a punctured pride.

### Changing Nature of Politics

Mahatma Gandhi was credited with transforming the Congress from a lawyers’ club or at best a party of the urban-based upper caste professionals into a mass party based on peasant support. The communists from the beginning felt that the social revolution

in India would take place around the axis of agriculture. So the Congress as well as the communist and radical socialist movements mobilised farmers in regions where the farming communities were dominant against the zamindars and the British, especially in the 1930s and after. This was the period when the farming communities were consolidating by forging caste associations, matrimonial alliances across taluks and districts and other means of co-option. Peasant movements were launched for land rights, reduction of land revenue and other cesses, moratorium on debts, etc. While the organisation of the peasants began under the aegis of the Congress, the movement acquired some cohesiveness under the leadership of the socialist leaders such as Sahajananda Saraswati and Indulal Yagnik or N G Ranga. The communist entry imparted militancy and anti-feudal ideology to the peasant struggles. Although there were different classes of peasants, both the Congress and the Communists tried to mobilise peasants in the anti-colonial struggles under the slogan of peasant unity. We saw this happening in all the states which at present are severely affected by the farmers' suicides.

Economic and educational advancement and participation in the freedom struggle enabled members of the farming communities to occupy important positions in the political arena. This became more visible after independence in the states where the farming communities are dominant. For the next few decades, the members of the farming communities provided the base for the new state, took charge of leadership of the major parties – whether ruling or opposition – at the state level, controlled political and governmental institutions at the local level, such as cooperatives, samitis and panchayats, and forged close connections with the bureaucracy.

Several researchers and commentators on farmers' suicides feel that the seeds of the present-day agrarian distress were sown during the green revolution itself. While the peasants had benefited by the increase in productivity in the initial years after the launch of the green revolution strategy, they soon began to suffer from its adverse results. The rate of growth in productivity tapered off; prices of agricultural produce began to either stagnate or fall, due to either deliberate strategies of those who manage global and domestic markets or the government. But the cost of inputs kept increasing, even as the changed agricultural practices either overexploited land or caused permanent damage to the ecology. That is the reason why we saw sporadic peasant agitations for remunerative prices during the 1980s. All independent peasant organisations and leaders (such as Narayanaswamy Naidu in the south, or Mahendra Singh Tikait in the north or Sharad Joshi in the west) or parties which described themselves as peasant-partisan parties (such as the Lok Dal), or kisan sabhas controlled by the communist parties launched agitations for remunerative prices. But these protest campaigns soon withered away. This was probably the last wave of peasants' movement in India that had the nature of demanding a larger share in the agrarian surpluses and influenced the shaping of public policies.

However, by and large, in the wake of the new power structure that had emerged in the 1950s and 1960s, land reforms and the green revolution of the 1970s, the pressure exerted by the peasant movement on the government began to wane. The Congress Party had already lost interest in the slogan of peasant unity after it came to power. With the end of the peasant movement of the pre-independence period and with the transfer of power in the states to the members of the farming communities, there was a shift in the political affiliation and electoral support of the landowning peasants towards the ruling parties. With land reforms in place, the peasant organisations led by the communists also became listless.

They did not have landlordism to fight against. They demanded more land reforms, which were not possible. They stuck to their earlier line of ending semi-feudalism and isolating the rich peasant in the agrarian revolution. They were pulled between the seemingly conflicting demands of the farmers and wage labourers.

The logic of democratic politics was at play in changing the nature of politics. Although most of the political leadership in the predominantly agricultural states hailed from farming communities, the priorities of political leaders have changed after the 1970s. The era of Jai Kisan had ended with Lal Bahadur Shastri. The Indira Gandhi-led Congress resorted to a different strategy. As mentioned earlier, in her attempts to undermine strong leaders from farming communities in the states, Indira Gandhi devised a strategy of bringing the extremes of the social spectrum together in a political alliance: mobilising electoral support from the dalits and minorities in alliance with the top stratum in the social hierarchy. This in a way had democratised politics, but also led to other consequences such as shrinking political space for the farming communities. The electoral strategy of the new Congress Party, under Indira Gandhi, was based mainly on populist promises. Politics thenceforth hovered around attracting the support of the backward, dalit and minority vote by appealing to their ethnic identities.

Apart from the numbers game, what probably contributed to the decline of the farmers' voice in politics was the disjuncture between farmers' interests and the interests of the political representatives. Political leaders at the state level over the years developed other vested interests. Industries or businesses (such as hotels, transport, liquor, mills processing agricultural produce such as cotton, sugar cane, oilseeds and tobacco), contracts and public works, real estate in urban areas, dealing with agricultural produce, or commissions by getting government work done have become their main source of wealth. Even at the local level, party leaders are those who thrive on public works, trade and business or by acting as fixers between the government and the needy or influential sections. Those leaders who claimed to have a farming background had actually moved to the towns and cities. This small creamy layer that emerged might be socially identifiable with the larger peasant population, might mingle with the farmers in social ceremonies, and might also pass on a part of the benefits to them, but they were no more tied to the agricultural interests, as their income from agriculture was not the main source. The top party leaders might wear a farmer's headgear at a party rally or ride a bullock cart or tractor during the election trail, but they are merely symbolic gestures without any substance. It seems that while the peasants got pauperised, the political leaders got depeasantised.

It is difficult to organise farmers because they are less homogeneous both in terms of economic conditions as well as social background. Marx once spoke of farmers contemptuously as potatoes in a sack of potatoes. It may be true to some extent. During the freedom struggle they could be united because they were all affected by the zamindars' demands or the British policies. But after independence, when they saw their own as rulers they could not see a common enemy to fight against. Farmers are divided on caste, faction and party lines with a great deal of overlap. This made the new breed of political leaders take electoral support from farmers for granted, while playing upon the caste identities of the farmers. During the last two decades we hardly have seen any strong all-India peasant movement. The protest movements in some states, like the one led by the Karnataka Rashtra Ryotu Sangha, are too sporadic, sparse and isolated to make a significant impact on the governmental policies. Parties

tended to respond more to the interests of traders, business classes, workers, employees and organised classes because of their importance in running the government or because of their strategic location. Regardless of their party affiliations and preferences, salaried classes, traders and workers tend to unite on the basis of interests and bring pressure on government when needed. They can act as a pressure group, bargain with the governments, contribute funds to political parties and leaders or maintain persons who can lobby on their behalf.

In recent years, political parties and leaders have come to rely on big donors to meet electoral expenditure or to make money while in politics. Contesting elections has become an extremely expensive affair. Candidates are expected to spend huge amounts to conduct campaigns or to distribute cash and other allurements to voters. Even the richest farmer cannot think of contesting elections to the Parliament or even to the assembly on his own and hope to win. So, parties have begun to give tickets to the neo-rich rather than farmers. In most parties these days, just before elections the top leadership brings out the unaccounted funds or mobilises more resources from traders, financiers, contractors, and business houses. Earlier big farmers in the villages used to voluntarily meet the local expenses of publicity and party offices. As contractors, traders, financiers, professionals and fixers came to occupy an important place in the electoral strategies of the parties, farmers have been relegated to background or have become indifferent to election campaign. This has the direct consequence of increasing the influence of traders, businessmen, industrial houses and political entrepreneurs on politics and policies of the government. Thus, politically and electorally the farmers have got more and more marginalised.

Over the years we have also seen that power in political parties has got concentrated in the supreme leader of the party.

A charismatic leader who can get votes for the party and see it through elections has come to be accepted as the undisputed leader. Party and mass organisations have become weak. The "leader's" opinions become the policies of the party and, if in power, of the government. Parties have become the glorified images of the supreme leader. In a situation where party control over legislators and the control of the political executive over the legislature has increased a great deal, populist charismatic leaders tend to exercise absolute control over the government policies. It is relatively easy for the powerful interests to influence the top party leaders or the political executive.

Farmers' interests matter very little any way to the national ruling elites. Although agriculture and irrigation is a state subject, there is very little the state leaders can do even if someone wants to. The state governments do not have sufficient resources to spend on agriculture. The policies relating to imports and exports and trade tariffs are in the hands of the union government, where the voice of the peasants is the weakest. The captains of industry and the big business houses hold sway at the centre and this has become more pronounced in the post-reform period. Who are the people consulted by the government and ministries while making policy decisions and for whose benefit? IT giants, stock-brokers, industrial and business houses. While the discourse of liberalisation underprivileged and downgraded agriculture, the environment that came to prevail made the policy-makers at the national level more and more pro-corporate or foreign capital. Probably the autonomous space for the union government to make policies has also shrunk in the changed international economic scenario, where the policy priorities and decisions are worked out by the global financial agencies. One criticism against successive union governments was that they did not make timely interventions to adjust the tariffs to arrest the falling prices in the face

of imports or growing prices of inputs such as the seeds and pesticides, due to the entry of multinational companies. While everyone knows that the WTO tariff regimes are not sacrosanct and are amenable to negotiations and reciprocity, such leverage was not put to good use by the governments.

Only in recent years have most political parties begun to speak of farmers' distress. It became an issue only after hundreds of farmers committed suicide. The NDA government included agriculture and related issues as one of its "Panch (five) Priorities" (Union Budget, 2003-04). The Indian National Congress in its election manifesto 2004, included "Grameen Vikas", to improve the income and welfare of the kisans, as one of its "six basics for governance". The negative vote of the farmers was considered to be a major factor in the defeat of the incumbent governments in 2004 elections. After the elections, the prime minister stated that the mandate warranted a change in the government priorities and promised a "New Deal" for rural India. The union agricultural minister says that the agricultural sector has suffered neglect in the hands of successive governments. The finance minister of the UPA government, in his July 2004 budget speech, said that massive public investments are required to revive agriculture. Governments in different states have implemented a relief package to the suicide victims. All this shows that if there is a political will the conditions of the farmers can improve.<sup>5</sup> If farmers can vote more wisely, it is possible for the farmers to bring pressure on the governments to pay attention to their problems.<sup>6</sup>

But the problem is that political leaders have become less sensitive to people's suffering, notwithstanding the pro-poor and pro-farmer rhetoric. The political leadership is not interested in safeguarding and promoting the interests of farmers even for political reasons because they do not see an incentive compatibility in such a kind of activity. Most of the bureaucrats and think tanks have neither stakes in agriculture nor empathy for the suffering farmers. Businessmen, traders, industrialists, professionals, etc, are all interested in the extraction of "surplus" from agriculture, as their profits or earnings are inversely related to the net retainable incomes of those engaged in agriculture. Farmers do not have the wherewithal to lobby in the corridors of powers. Scattered and divided as the farmers are, it would be difficult for them to launch nation-wide struggles. That leaves only general elections to the legislatures as a potent means to bring pressure on parties. Unless political leaders are faced with the threat of loss of power, they do not act.

The question is not merely about paying compensation to the family members of the suicide victims, allowing more institutional credit to flow into the agricultural fields, curbing the use of pesticides, strengthening extension services to farmers, setting up helplines to counsel the farmers in despair, etc. Of course all these are necessary. But more importantly what we need is a change in the strategies of economic development which have hitherto downgraded agriculture and stunted non-farm employment, with the mechanisms that would ensure remunerative prices to agricultural produce, willingness of the political executive to use tariffs to support Indian farmers in the global markets, the need to curb the growth of corruption, illegal amassment of wealth by the political class and end the disjuncture between the interests of the people and people's representatives.

Are we any more a nation? What kind of citizens are these farmers? What happened to the solemn resolve to constitute India into a socialist democratic republic and to secure for its citizens justice, liberty, equality and fraternity? If nothing positive happens in Indian agriculture in the coming years and if farmers continue to be squeezed by the global and domestic

markets as well as the rentier classes, they will have to either abandon agriculture or rebel against governments; or else the spate of suicides continues to haunt the country. [97]

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## Notes

[I am thankful to several farmers' leaders with whom I have discussed this issue over the past few years. Discussions with Y Shivaji, a farmers' leader based in Guntur, and my colleague V Anji Reddy of the Hindu College, Guntur, were particularly helpful in reflecting on the state of the Indian farmer. The papers in this special issue are part of a larger set that was originally presented at a seminar on *Agrarian Distress and Farmers' Suicides in India* held in February 2005 at Nagarjuna University, Guntur, Andhra Pradesh, as part of the Governance and Policy Spaces project located at the Centre for Economic and Social Studies, Hyderabad. I am grateful to all the paper-writers for revising their papers for publication in the *EPW*.]

- 1 In the Indian context a kisan or peasant would mean typically a person who owns and cultivates the land mostly using his personal and family labour and is dependent for his livelihood on the crop proceeds. This character of the Indian peasant distinguishes him from the peasants in Europe or the Americas. A farmer could be the one who depends mostly on hired labour and is primarily interested in drawing profit out of the investments made in cultivation. However, the terms "kisan", "farmer", "ryot" and "peasant" are used synonymously here.
- 2 Briefing by agriculture ministry officials in Hyderabad on April 10, 2006, *DNA*, April 11, 2006.
- 3 Kerala, the most developed region in terms of human and political development, had been subjected to worst agrarian crisis. The import of pepper has had disastrous consequences to the farmers. The fall in prices of coffee, rubber and coconut destroyed farmers' economy. The free import of edible oils at a time when India has become a surplus nation in oilseeds, caused havoc with million of lives of farmers growing oilseeds. India has become the biggest importer of edible oils in the world today. Year after year, farmers are forced into distress sales of cotton as the imports heavily depress domestic prices. The prices of seeds and pesticides marketed by the MNCs have gone up by several times, making cultivation highly costly.
- 4 Such a tragedy was glaringly evident in the case of coffee, pepper and vanilla growers in Kerala or the oilseed growers in Andhra Pradesh. In the Wayanad region the farmers were lured by artificially high prices offered by the multinational companies to cultivate vanilla. But once the crop became popular among the farmers, the price of vanilla was brought down drastically. The misery was compounded when the crop failed repeatedly due to pest attack. In case of pepper the liberalisation policies of the government had played havoc with the lives of farmers in that region.
- 5 For instance, in Andhra Pradesh, all the electricity arrears of farmers were written off when the Congress came to power in 2004. Free electricity is provided for agricultural purposes. Decisions are made on regulating the manufacture, distribution and usage of seeds. A huge amount of about Rs 40,000 crore has been promised for the construction of new irrigation projects over next five years.
- 6 Farmers are also not alert at electing leaders who would really represent them. They do not contribute to the election fund of such leaders. One farmer's leader in Andhra Pradesh who belonged to the TDP and worked hard to get debt relief for the farmers during the Janata Dal government, said that when elections came party did not consider him for an election ticket nor did the farmers of the area demand that he be nominated.

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