

Economics of farming and Farmers' suicides in India

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Abstract

Farmers' suicide has been a persisting problem for quite some time. Apart from the vagaries of nature, the policies pursued by the Governments of the day, the rising costs of inputs, the unremunerative prices for the farm produce accompanied by the sea changes heralded by the process of globalization have putting the farming community in a quandary and the combined stress have left the farmers with no choice by to commit suicide. Probably in no other time in history has the farmer community faced such formidable and insurmountable challenges. The present paper is an effort to understand and analyze the plethora of factors that have been forcing the farmers to end their live forcibly.

Keywords: farmers' suicide, globalization, formidable and insurmountable challenges

Introduction

Despite the repeated governmental attempts to sweep it under the carpet, farmers suicides, has been blowing up in to huge proportions and giving the authorities and planners sleepless nights. It has become a regular phenomenon, than the crisis occurring sporadically following extreme climate variations and consequent crop failures. (Reddy and Galab, 2006). Trapped in the shackles of poor credit and price policies accompanied by uncertainties of the occupation, Indian farmers were forced to kill themselves. Perhaps, it is quite alarming that the growth rate of farm suicide has exceeded the growth rate of the whole economy during the last decades and has grown to be a Human Rights issue far from the position of a developmental issue. Though deeply rooted back in the 1980s, emerged in the 1990s, with a short interval of a couple of years in 2009, 2010 and 2011, (in the case of Kerala, as per official reports) it has again began to catch the headlines and capture the public attention, by slowly growing out of proportions one can imagine. It is now widely understood as a brewing agrarian crisis in the country over the past decade and half. In fact, now-a-days, farm suicides have become identified as the index of agrarian crisis in India. A rough estimate puts that more than one quarter of a million of Indian farmers have committed suicide during the last 16 years, leaving six times of them as surviving family members to the uncertainty and darkness. Often described as a policy induced disaster with epic dimensions, it has become a part of our current social and economic life. According to the official estimates, around 17638 farmers committed suicides in 2016 alone, which itself is a gross under estimate, as women are excluded from the figures, being they are not the title holders. To put it in a different way, every thirty minute a farmer has committed suicide during the last one and half decade. The governmental estimate puts that 2,41,679 farmers in India committed suicide between 1995 and 2016.

A further distributed detail such as a State wise picture is required for a clearer perspective of farm suicides in India.

There is a high degree of variations in terms of number and rate of farm suicides across the states in India. As per the data related to the year 2016, of Crime Records Bureau of India, the top five states in terms of number of farm suicides are Maharashtra, Karnataka, Andhra Pradesh, Chhattisgarh and Madhya Pradesh they account for nearly two thirds i.e. 63 per cent of the suicides in the country. Pondicherry has the highest rate of farm suicides with 835 per every 1 lakh population. Kerala stands third along with Pondicherry and Goa in the fore format.

It was in the 1990s that India woke up and was shocked to hear about the farm suicides. The first reports came from Maharaashtra followed by Andhra Pradesh. Farmer suicides, that too in large numbers, in the form of an epidemic, perhaps an unknown phenomenon to Indian agriculture, began to attract the attention of the policy makers and planners, during the second half of 1990s. Farmers, out of their helplessness to go ahead with the cost escalations and price crunches, mounting-debts, crop failures, pressures of debt management, and fear of insult and action by debtors, began to end their lives, in large numbers, leaving desperate family members, to the ever growing darkness. Out of the guilty sense for ignoring the warning signals by the desperate farmers who began to sell their saleable organs or embarrassed by the starvation deaths in the early 1990s, governments of respective States fell into action and declarations of commission for enquiry and relief measures followed. The incidence was much deeper in the States like Punjab, Haryana, Maharashtra, Tamil Nadu, Karnataka and Kerala, Since 1995, farm suicides have become a regular incident from states like Punjab, Haryana, Maharashtra, Tamil Nadu, Karnataka, Kerala, Chhattisgarh, Pondicherry, Dada and Nagarhaveli, Delhi Goa and Sikkim. Perhaps, the number of fanners who have committed suicide during the last decade have exceeded the number of soldiers died during the last 6 decades. The despair has deepened over the past years with 18 of the 28 states reporting more suicides. The farmer suicide graph has been steadily rising only to make

it perhaps the largest wave of recorded suicides in human history.

The issue of farm suicides was slowly surfacing when the debates in Indian. Agriculture has been shifting from mode of production in the 1960s arid getting hooked into the talks of trade agreements. The deeper roots of the crisis can be traced in the 1980s, when the state policies became urban biased and ceased to make agriculture a viable profession. Large scale uprising of farmers in the form of marches and protests were the outcome, but less there were any attempts of suicides, as the farmers could find a sense of security and identity in the organized movements (Assadi 1994, 1997) ^[1]. It was at the end of the 1980s, when the farmers' movements met with a desperate end or a reverse gear, the farmers turned to take their lives themselves (Assadi 2004). It is argued that the current, situation is the manifestation of an underlying crisis in the Indian Agriculture due to the marginalization of agriculture in the national policy. Therefore, it is crystal clear that the development trajectory pursued by Indian State has born the seeds of the current crisis. A brief outline of growth trends in Indian Agriculture will make the perspective more clear.

Three distinct phases can be identified in the evolution of agrarian relations in post independence India. (Suri, K.C 2006). Reforms and consolidation during the 1950s and 1960s, the green revolution and popular development during the 1970s and 1980s, reforms and deterioration of the farmers conditions during the 1990s and later. The first phase was characterized by the abolition of intermediaries, reduction of land revenue provision of irrigation facilities, import substitution and industrial development to ensure that farmers produce sufficient amount of food grains to free the country from the chronic dependence on foreign countries for food items. Quite unfortunately, the package mentioned above did not have any specific agenda for the welfare of the farmers. Ensuring ownership rights and provision of infrastructural facilities created an environment for modern methods of cultivation during the 1970s and 1980s under the regime of green revolution. The advent of green revolution has successful boosted the production and productivity, thereby enabling the nation to get out of its severe dependence on imported food items initially at the cost of productivity enhancements and later at the cost of expansion of area under cultivation. The most amazing achievement of the Indian Agriculture during this period is that it has been feeding the second largest population in the world and has moved to the position of a net exporter in the 1990's from the state of a begging bowl in the early 1960's. Green revolution, the advent of modern methods of cultivation, and then opened a regime of farming for market has triggered off a galaxy of changes. Farming no more remained as the collective enterprise and it became an individual enterprise for market and money. There has been overwhelming demand for credit and consequent pressures for repayment, while there were market failures, began to brew at this point, which served as the epicenter for further vibrations.

The history of agrarian crisis in India can be summarized as follows. Agriculture is the main stay of the Indian economy as its performance is dependent upon the growth of Agriculture

sector. It contributes nearly 22% of India's Gross Domestic Product (GDP) & 13% of total exports. It provides employment to 57% of the country's work force and livelihood security to more than 650 million people. After the green revolution, in the 1980s, the agricultural output grew at about 4% per annum. Thus India became self-sufficient in food and started exporting wheat and rice. But during the 10-year period after the advent of liberalization, the rate of growth declined to two per cent. According to the Mid-term Appraisal of the Tenth Five Year Plan (2002-07), the rate of growth of the GDP in agriculture and allied sectors was just one per cent per annum during the year 2002-05. As a result, per capita availability of food grains decreased; the growth rate of population became higher than that of food grains, and India started to import food grains at a much higher price than that is available in the domestic market, The declining trend of the output and employment growth rate after 1990s signaled the agrarian distress that accelerated after the Globalisation phenomenon. While agriculture has benefited from trade policy changes, it has suffered in other respects, most notably from the decline in public investment in areas critical for agriculture. The reforms brought more distress to small and marginal farmers who were unable to reap benefits out of the policies. The policies of economic reforms that added to the plight of the farmers were liberal import of agricultural products, cutback in agricultural subsidies, lack of easy and low-cost loan to agriculture and the decline in government investment in the agricultural sector.

The story of negligence towards agriculture in the policy circles is clear from the figures. The public investment on agriculture at the national level has been sharply coming down since the First Five Year Plan onwards. In the First Five Year Plan the percentage of Agriculture and Allied Sectors was 14.9 and it has declined to 5.2 per cent in the Tenth Five Year Plan. Similar is the case of Gross Capital Formation and Investment in Agriculture. In 1993-94 the Gross Capital Formation was 7.47 per cent of the Total Investment and 1.6 per cent of GDP. But in 2000-01, this has fallen to 6.02 and 1.3 respectively.

The contribution of agricultural sector to National income estimation declined from 55% in 1950-51 to 18% in 2007-08, while people's dependence on agriculture remained almost the same. The contribution of agriculture is declining at a faster rate than the population depending on it, observes Reddy and Galab (2006), With a share of 25 per cent in GDP, it upkeeps more than 58 per cent of population. Coupled with this, one third of the farmers are willing or forced to quit farming, as the NSSO 59th round survey revealed. Deshpande and Prabhu put this in the way that 70 per cent of the farmers are frustrated with their profession. A note on the current position of Indian farmers will more than elaborate this. At the national level, more than 60.40 per cent of the households are farmer households and of them around 48.6 per cent are reported to be indebted. The incidence of indebtedness is highest in Andhra Pradesh (82.0%) followed by Tamilnadu (74.5%), Punjab (65.4%), Kerala (64.4%), Karnataka (61.6%) and Maharashtra (54.3%).

It is a quite distressing and equally surprising a fact that the Indian economy continues to be one of the agro-based

economies, even after seven decades of planned efforts to break the growth trap. Agriculture sector continues to be the single largest source of income, employment as well as output at the national level, though it is stamped as an unrewarding profession. However, the current debates in agriculture are unfortunately hooked into one of the widely discussed issues such as farmers' suicides ^[2].

Agriculture, which has been a style of life as well as a royal occupation and noble profession, has become the last resort to tire majority of the population in tire country due to a host of reasons. The vicious trap to which the farmers in our country are bogged down is the offshoot of several forces. The cost escalations, the price falls, the policy of the governments at various levels, coupled with the cruel face of nature and climate are the factors that have contributed towards the ill-fate of the Indian fanners, in large. Agriculture becomes a least profitable venture while people were forced to cling to it, as they have no other way. The most distressing aspects of this tragic phenomenon are that the victims continue to be in the agriculture sector as they cannot opt out or go elsewhere. Secondly, this phenomenon has occurred in no other sectors, except in Agriculture.

The economic history evidently demonstrates that agricultural prosperity has contributed considerably in fostering economic development in many advanced countries. Agriculture sector occupies a key position in the Indian economy. It employs about 60 per cent of the working population in India. Around one fifth of India's national income originates from this sector, while Agriculture engages more than half of the labor force. Agricultural products like cereals (mainly rice), tea, coffee, cashew, spices, tobacco, rubber and leather are important items of India's exports and hence foreign exchange earners. The role of agriculture can further be illustrated by the fact that this sector provides the basic ingredients to the national economy by supplying the necessary foodstuffs, raw materials, shift of manpower, creation of infrastructure, relief from the shortage of capital, reduction of inequalities, minimization of political and social tensions and creation of effective demand. Indian agricultural workforce inhabits 6,00,000 villages and cultivates 184 million hectares broadly demarcated into 20 agro-climatic zones that cater to incredibly diverse habitats. We have the largest population of livestock, an 8129 kilometer long tropical coastline and an exclusive economic zone of 2.02 million square kilometer vast that permits year round fish harvest. We grow more than 20 agro-horticultural crops. Tire belief that India is overwhelmingly an agricultural society is fast disappearing. The Neo-Liberal Regime, the changes in the attitude of people towards agriculture, the emergence of knowledge economy and several socioeconomic factors have contributed towards this decline. The cost escalation, crop failures, uncertainties in the market, shrinking of land area under cultivation coupled with the above factors have made agriculture a profession that has ceased to attract the young generation. It is quite unfortunate that the social and economic changes have molded a generation of youth that looks down at agriculture. Perhaps one may not be exaggerating the fact that Indian Agriculture is encountering a multitude of crises such as economic, ecological, technological, social as well as nutritional. The annual GDP growth of agriculture in value-

added terms has declined from 3.5 per cent in the 1980's, to 2.8 per cent in the 1990's, 1.3 per cent in 1999-2000 and to a negative growth rate of 2 per cent in 2000-2001 (Majumdar, 2002). The sectoral distribution of rural net domestic product of agriculture is now 54.41 per cent from 74.37 per cent in 1970-71 (Chadha, 2003) ^[7]. Further, trends show that urban households earn more than their village counterparts and that the disparity is growing (Pradhan et.al. 2000).

One can find a galaxy of arguments on the factors that led to this unfortunate development in the Agricultural sector and its metamorphosis into a crisis of unfathomable proportions.

The National Agricultural Policy (2000), formally recognized that agriculture has become "a relatively unrewarding profession and those efforts to revive it had to be multi-pronged in character" (Gupta Dipankar 2005). The NAP 2000 had acknowledged that the unrewarding character of agriculture was generally due to the 'unfavorable price regime' and 'low value-addition' causing abandoning of farming and increasing migration from rural areas. It is estimated that about 24 per cent of villagers are engaged in non-agricultural occupation. The situation is likely to be exacerbated further in the wake of integration of agricultural trade in the global system (Ibid, p.752). The NAP (2002), sought to promote technically sound, economically viable, environmentally non degrading and socially acceptable use of the country's natural resources - land, water and genetic endowments - to promote sustainable development of agriculture; besides resorting to the application of frontier sciences like bio-technology, remote sensing technologies, pre and post-harvest technologies, technology for environmental protection through national research systems as well as proprietary research.

Present policies and programmes neither protect a sizable section of the agricultural population from natural and market-induced uncertainties nor enable them to contribute meaningfully to the overall growth of the economy. It is possible, however, to turn the tide by enhancing investment to strengthen the resource base of agriculture, devising suitable investments to compensate small and marginal producers for losses from natural calamities, designing organizational interventions to impart strength to the economy, lightening the interest burden from non-formal sources of credit and encouraging rural financial instruments to take over the debts of the farmers from various, sources (Vyas, 1979).

Several of the experts have identified certain broader factors responsible for the agrarian distress and they are due to the impact of neoliberal economic policies including the integration of Indian agriculture to the world market (Shiva and Jafri 1998; Patnaik 2004, 2006), Cost escalations unmatched by increases in the price of agricultural products (Vyas 2004; Mohanty and Shroff 2004) Lack of institutional support including credit and support prices (Dev 2004; Rao and Gopalappa 2004; Ghosh 2004). Reddy and Galab (2006) have identified and summarized the factors contributing towards the agrarian distress into four broad categories, viz. Technological Factors, Ecological Factors, Socio Cultural Factors and Policy related issues and hold that the aggregate and cumulative effect of these factors was responsible for the farmer's distress.

Mohan Kumar and Sharma (2006) have observed that repercussions of Neo liberal policies and consequent retreat of state from the agricultural sector are at the root of the present agrarian crisis in India. The economic distress due to sharp price falls are the major factor that have driven the desperate farmers to the suicide point and this behavior can be less interpreted in terms of psychological factors or the Durkheim Proposition of individualization as suggested by Gyanmudra (2005) and Mohanty (2005).

As observed by Suri (2006) there are several structural and social factors responsible for the situation. He summarizes them, as the changes in the pattern of leadership, change in pattern of cropping which led to the shift from food and light crops to cash crops and market oriented farming, liberalization, policies which pushed Indian Agriculture to the global markets, heavy dependence on costly inputs, growing cost of cultivation, volatility of crop outputs, market vagaries, lack of remunerative prices, indebtedness, neglect of agricultural sector by government and consequent decline in public investments in agriculture, break up of joint family system and conversion to individual agricultural enterprises from a collective and joint enterprises, so on and so forth.

Reddy and Galab (2006) have observed that the cumulative effect of a large number of factors is responsible for the present situation in Indian Agriculture. Most of the studies have identified agricultural indebtedness of chronic nature as the root cause of mass suicides, but what remains less understood and explained is the factors that lead to indebtedness.

It is really surprising that most of the issues in the core and periphery of farm suicides continue to be as grey areas, even after it has begun to send shock waves to the planners and policy makers, media people and left and right intelligentsia as well. No serious attempts to unveil the mystery of the farm suicides can be traced in the literature, except a few studies based on secondary data that are available from crime records statistics or such other sources; This study is to be viewed from this standpoint.

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