

# The Agrarian Distress in India- An Inter-Disciplinary Perspective

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Since 1995-2011, almost two and half lakh farmers have committed suicides across India, including states like Andhra Pradesh, Maharashtra, Karnataka, U.P., Punjab, Haryana and Kerala (Sainath, 2012). 52% of agricultural households in India are indebted and the level of indebtedness is as high as 93% and 89% in Andhra Pradesh and Telangana (NSSO 70th round, July 2012 to June 2013). The average amount of outstanding loan was highest for Kerala (Rs. 2,13,600) followed by Andhra Pradesh (Rs.1,23,400) (Bera, 2014). Average monthly income per agricultural household during agricultural year July 2012 to June 2013 was estimated to be Rs. 6,426 (NSSO 70th round). Nearly 70% of India's 90 million agricultural households spend more than they earn on average each month, pushing them towards debt (NSSO 70th round). Almost 85% of all operational farm holdings in the country are smaller than two hectares (NSSO 70th round). It has also been found that the majority of the victims are small and marginal farmers and many also belong to the backward class and scheduled castes. ((P. Sainath, 2012; Murthy, 2013). The above mentioned statistics shed light on the pitiable condition of agricultural households in India. The agricultural sector and the agrarian population are into a situation of distress. There is a need to focus on the inter-disciplinary perspective in order to understand the causes of the agrarian distress in India. This essay focuses on reflecting upon the economic, socio-cultural, ecological and political facets leading to the crisis in the countryside.

**1.1 Introduction:** Today's Indian Economy can be clearly identified as a neo-liberal economy and the politics today has come to be recognised as "Globalized politics" (Jong, 2012). Policies are often divorced from the reality and therefore serve only as ad-hoc measures to the issues arising out of such a politico-economic scenario. Therefore, in this scenario it is very difficult to directly isolate the impact of the developmental models on the lives of the rural household. Two different types of crisis related to the agricultural sector can be identified: the one can be referred to as the "Agricultural crisis" while the other can be referred to as the "Agrarian Crisis" (Sainath, 2017). While the former is associated with the declining agricultural productivity and its declining share in the Gross Domestic Product (GDP) of the country, the latter is associated with the lives of the agricultural households. It is related with the livelihood issues faced by the farming community and therefore, this kind of distress can be traced in the growing indebtedness among farmer households, distress induced migrations and on the top of it as desperate acts of farmers resorting to suicides. The agrarian crisis therefore is not the "crisis of production" but the "crisis of the producer".

The Economic reforms of 1991 marking the move towards a liberalised, globalised and privatised economy didn't only mark the swift import and export of various commodities but it is characterised by a complete export and import of "Production systems" from the developed countries to the developing countries. This can be traced to the

adoption of market oriented production process and highly input and capital driven system of output generation. Agriculture sector has been no exception to the changes in the mode of production as was introduced by the economic reforms. However, the roots of the current crisis can't be merely attributed to the Economic reforms but the ground for the eruption of the crisis in the lives of the farming community were well laid in the phase representing the later Green Revolution period itself. Nevertheless, it is to be highlighted that suicides by farmers wasn't a recurring phenomenon before the onslaught of the economic reforms (Vasavi, 2012). Though one may argue that statistical evidence to the same can't be provided since the only Government authority undertaking such an exercise of collating data related to the suicides by farmers, the National Crime Records Bureau, started giving the profession-wise data for "Self-employed in Agriculture" only since 1995 and the media has often reclused the rural issues to the "Shadow Spaces" (Vasavi, 2012). Nevertheless, such incidents of farmers resorting to suicide could largely be described as sporadic in nature before the Economic reforms. The wider contours of agricultural development and associated issues finally culminating into what has today come to be recognised as Agrarian crisis are summarised below.

## **1.2 Background of the Agrarian distress in India:**

**1.2.1 Agrarian situation in the pre-reform period:** The pre-reform period can be broadly divided into the period before the green revolution and the period following the green revolution. The agrarian situation in the post-independence period was miserable till the coming up of the Green revolution. The poor state of the peasantry has been the by-product of the land tenure system under the British administration. As a result of this, most of the farmers belonging to the previous Permanent Settlement areas namely parts of Bengal, Bihar and Uttar Pradesh continue to still remain in abject poverty. The land reform initiatives by the government included land to the tiller, consolidation of the land-holding and abolition of Zamindari. However, the land reforms were only half-hearted and the feudalism still continued in a hidden manner. Still, the issue of agrarian crisis didn't translate into suicides by farmers.

Further, the Green Revolution which has been often hailed for its capability in advancing India into a self-sufficient economy and thus propelling us from being a food deficient country to the one which now has a distinction in being one of the exporters of food grains including rice and wheat. However, the Green Revolution is often also blamed for deteriorating the condition of agriculture and agricultural households in India. The loss of biodiversity and the ecological loss it has created in States like Punjab, Haryana and Western Uttar Pradesh have precipitated into what can be largely referred to as the agricultural crisis. It also led to wide inter-regional and inter-personal disparities. The inter-regional disparities are largely the outcome of introducing and propagating the Green Revolution technology to the irrigated areas of Punjab, Haryana, western Uttar Pradesh and irrigated parts of various States including Andhra Pradesh. Therefore, the other parts in the country which have not been so much benefitted by the Green Revolution continued to experience subsistence based agriculture. Also, the regions which were benefitted by the Green Revolution have witnessed large inter-personal disparities since the capital intensive agriculture benefitted only the large farmers who could invest in the irrigation, fertilisers and pesticides that came as a part of the "HYV Seed" package. Even though the Post Green Revolution period didn't translate into an agrarian crisis of the present form but it certainly laid the grounds for the present crisis. The farmers and regions

which were by-passed by the Green Revolution adopted the cash-crop based agriculture more readily finding it as a lucrative source of raising their income from agriculture. This cash intensive agriculture has proved to be one of the leading factors behind the crisis of agricultural households.

There also exists a fundamental difference between the periods from Green Revolution to the Economic reforms. While the success of Green Revolution to a large extent was hinged on the active participation of the State, the reform period was characterised by the symbolic participation to a complete withdrawal of the State. Public investment in the irrigation was one of the most significant features of the Green Revolution however; the economic reform marked a sharp decline of the public investment in agriculture. Nevertheless the need for irrigation didn't decline simultaneously; rather it increased with the introduction of hybrid variety of seeds which required a greater amount of irrigation. The private investment in irrigation has been suggested a major cause of the rising indebtedness of farmers (Citizens' Report on Andhra Pradesh).

**1.2.2 Agrarian situation in the post-reform period:** The paradox in India has been that the reforms have been superimposed without removing the discrepancies of the pre-reform period. In the post-reform period, India has seen a spurt in the growth rate as compared to the pre-reform period. However, since then, the share of agriculture in GDP has been steadily declining and it is also a fact that the growth story of India has been dictated by the achievements in the service sector primarily and to a considerably lesser extent from manufacturing but the performance of the agricultural sector with respect to other sectors has been dismal. In this situation, the condition of the small and marginal farmers, agricultural labourers is worst. Along with the earlier risks of weather and monsoon, the farmer is now exposed to a multitude of other issues like risks associated with market, access to credit and volatility of the prices of the produce. The farmer now faces stiff competition from the global producers who are better equipped and well-facilitated by the government. Such is a situation of the farmer today that social responsibilities like education, healthcare and marriages are becoming a burden for the poor farmer and the poorer agricultural labourer. The paradoxical situation that the agrarian sector is faced today with is that the one who is producing doesn't have enough to eat himself and to sustain his family! This has been interpreted to be the impact of the economic reforms and the structural adjustment programme of the government on the peasantry of India (Mishra, 2007). The commercialisation of agriculture has not only led to the growth in the inter-regional and inter-personal inequalities but in fact it has made even the sustenance of a poor farmer questionable. In the present context, 17% of the Gross Domestic Product is contributed by agriculture but it still continues to employ 49.6% of the total worker population (Economic Survey, 2016-17). Also, within the agricultural sector, there has been a shift in the incremental value of output from traditional crops to high value added crops including fruits and vegetables. Further, the high agricultural productivity of two main Green revolution crops namely rice and cereals is declining.

The green revolution technology was confined to irrigated areas and therefore the dry land areas were either completely by-passed by the introduction of new High Yielding Variety of seeds or were late adopters only with the help of government. This is in contrast to the later periods characterised by the areas where earlier green revolution didn't make any inroads. The farmers in these arid and semi-arid regions which were once bypassed by the Green Revolution were propelled by the State to undertake the cultivation of cash crops in order to boost their incomes and also to boost the agricultural growth (Vasavi, 2012). While the green revolution period placed high

importance on the agricultural productivity, the new understanding in the post-reform period is characterised by a race for the growth rates in various States. One thing common to both Green Revolution and the new paradigm of development adopted in the wake of economic reforms of 1990s is the complete focus merely on increasing the output and the welfare of farmers and the farming community has been largely side-lined. Thus on the one hand the green revolution gave rise to wide inter-personal disparities, the economic reforms further accentuated the deep divide between the rich and the poor farmers especially worsening the situation of the small and the marginal farmers.

### 1.2.3 Symptoms of the Agrarian Crisis in India:

**a. Farmers' suicides:** Since 1995-2011, almost two and half lakh farmers have committed suicides across India, including states like Andhra Pradesh, Maharashtra, Karnataka, U.P., Punjab, Haryana and Kerala. It has also been found that the majority of the victims are small and marginal farmers and many also belong to the backward class and scheduled castes. Also, there continues to be a dramatic increase in the number of suicides that are being committed year after year (P. Sainath, 2012; Murthy, 2013).

**b. Indebtedness of farmer household:** The onslaught of commercial agriculture in India has led to an increase in cost of cultivation and fluctuating income from agriculture. As a result, many farmers who took loans in order to take the cultivation of high value cash crops have not been able to generate expected returns from the cultivation. This has led to increasing indebtedness among farmers. The 59<sup>th</sup> round of NSS report 498, 2005 indicates that fifty per cent of the farmer households are indebted. The proportion of indebted farmers household is considerably higher in states like Andhra Pradesh, Tamil Nadu, Punjab and Kerala which account for 82%, 74.5%, 65.4% and 64.4% of the indebted farmers' households respectively. Also, these states have a higher investment of borrowings in agriculture too including Andhra Pradesh (77% of the borrowings), followed by Karnataka (73%) and Maharashtra (83%). One thing to be noticed is that the borrowings from institutional sources are only 30% in states like Andhra Pradesh.

**c. Rise of small and marginal farmers:** There has been a rise in the number of small and marginal farmers in the Indian agriculture<sup>1</sup>. Distress sale of land has also led to the cultivators becoming landless agricultural labourers. Also, big framers and landlords are moving out of agriculture.

**d. Growing rural poverty:** The food security issues have further been aggravated in the country-side as there is a shift from cultivation of staple food crops to cash crops. This has led to a sharp decline in the per capita food availability even to the one who produces for the country. The commercialisation of agriculture has led the farmers to shift towards cash crops due to which the poor farmers have a degraded condition if their crop fails or they don't make profit on their produce. The increasing pauperisation of farmers and agricultural labourers is an apparent symptom of the agrarian crisis. Only suicides aren't the indication of the pitiable condition of the farmers but the deaths due to hunger are also an ugly dimension to it. Furthermore, the output and per capita availability of cereals and pulses has fallen which has led to their import in the present time. As a result, these essential components of a balanced diet are being sold at an exorbitant price which is most of the time unaffordable for the poor peasantry

<sup>1</sup> 43% of land is under the small and marginal farmers and they constitute almost 86% of the total farmers (2001).

and the agricultural labourers who are already under a burden of unpaid debts. The consumption data of the National Sample Survey indicates that the food grain consumption as well as per capita total calorie intake has reduced especially for the bottom 40 percent of the population (Ghosh, 2005).

**e. Unemployment situation in rural India:** Another dimension to the agrarian crisis is the collapse of rural employment opportunities. As the agriculture is becoming unviable, the people presently working as cultivators and agricultural labourers have been looking for avenues of employment in the non-farm sector. However, the employment opportunities open for them in the non-agricultural sector are very limited. Even though they have tried migrating to the urban areas in search of work but the spurious urbanisation happening in India doesn't tend to be absorptive for them. As a result, they have to return back to agriculture itself and continue with the unprofitable agriculture. The NSS data on Employment and Unemployment situation in India (55<sup>th</sup> round, 1999-2000) has also indicated that there has been a decline in the rate of employment generation<sup>2</sup> in rural areas which has declined from 2.4% in 1983-94 to 0.6% in 1994-2000 (Ghosh, 2005) including all forms of employment namely casual, self-employed, part-time. Predominantly, there has been a casualization of work as the rate of increase of permanent jobs has been negligible. Also, there has been an increase in the rate of unemployment<sup>3</sup> with a sharp decline in rate of growth of the labour force. Due to this shortage of jobs, many people have turned out to be out of the labour force. Additionally, the worst impact has been felt by the agricultural sector as the employment elasticity of output growth has declined from 0.7 to 0.01 from 1983-94 to 1994-2000. This has been an outcome of the growing mechanisation of farming. Moreover, the public spending on rural employment generation has declined since the reforms (Ghosh, 2005).

#### **1.2.4 Causes of the crisis situation:**

**I. Economic causes of the distress:** "The economic reforms in Indian agriculture intensified the process of public as well as private resource crisis brewing from the mid-1980s<sup>4</sup>" (Mishra, 2008). Gross Capital Formation (GCF) in agriculture in 1999-2000 has steadily declined to one-third of the level in 1980-81. Also, the private investment in agriculture has not increased significantly. The plan expenditure of the government on rural development initiatives has also dropped (Gupta, 2005 as cited by Mishra, 2008). The institutional credit available to farmers has also seen a decline. This has been a major blow to the peasantry and is often cited as one of the main causes of the indebtedness of the farmers. The share of credit from Scheduled commercial Banks (SCBs) and formal institutional sources has decreased<sup>5</sup>. The worst sufferers have been small and marginal farmers as they are forced to buy from non-institutional sources which charge a heavy rate of interest from them. Additionally, the increased cost of cultivation is also a feature of the post-reform period agriculture. There has been an increase in the Fertiliser Price Index (FPI) from 1999 to 2001. Acharya, 2004 has stated that there has been a growth of FPI from

<sup>2</sup> The rate of growth of employment, defined in terms of Current Daily Status refers to the flow measure of extent of jobs available.

<sup>3</sup> The rate of unemployment in rural India as a whole increased from 5.63 per cent in 1993-94 to 7.21 per cent in 1999-00, and was more than 15 per cent in some states. (Ghosh, 2005).

<sup>4</sup> Mishra, S and Reddy, N (2008) "Crisis in Agriculture and Rural distress in Post-reform India" India Development Report, pp. 44.

<sup>5</sup> Scheduled commercial banks' share of credit to agriculture has declined from 18 per cent in December 1987 to 11 per cent by March 2004 (Shetty, 2006). A study of credit from formal institutional sources shows that between 1980-81 and 1999-2000, agricultural sector's share of short-term credit declined from 13.3 per cent to 6.1 per cent. During the same period, agriculture's share in terms of lending declined from 16.9 per cent to 8.3 per cent (Rao 2002).

99 to 228 from 1990 to 2001 showing that it has increased at a rate of eleven per cent compound annual rate. Also, he has concluded that fertilisers today account for almost 29% of the cost incurred by the farmers on inputs. Even the water prices have considerably increased in many states (Acharya 2004 as cited in Mishra and Reddy, 2008). One of the primary objectives of the liberalisation model in agriculture was to provide a greater access to higher prices in the global markets but in fact, there has been a decline in the global market for some of the agricultural produces. The prices for certain crops like cotton, rubber, sugarcane etc. has declined in the global regime. The price volatility has increased. The crops in which India had a comparative advantage in have turned out to be unfavourable in the post-reform period. With the relaxing of Quantitative Restrictions (QR), there has been a fall in global prices of cotton.

The Farm-Business Income (FBI)<sup>6</sup> which was increasing in the 1980s has started to decline since 1990s. There has been a deceleration in growth of FBI per hectare from 3.21 per cent in 1980s to 1.02 per cent in the 1990s. Furthermore, the growth of real FBI per cultivator declined from 1.78 per cent in 1980s to 0.03 in 1990s and in actual terms also it seems to have declined in the states of Andhra Pradesh, Bihar, Gujarat, Karnataka, Maharashtra, Orissa, and Rajasthan (Sen and Bhatia 2004). The important measures of the Economic liberalisation in Indian Agriculture are as follows:

In the External Trade sector, the policy initiatives included placing all the products in Generalised System of Preferences (GSP) by 1997, QRs were dismantled for as many as 470 agricultural commodities by 1998. Further, 1200 products were brought under Open general Licensing (OGL) and the average tariffs on the agricultural imports reduced from 100 per cent to 30 per cent from 1990 to 1997.

Under the process of internal market liberalisation, 100% foreign equity in the seed sector has been allowed since 1991 leading to a more liberalised import of seeds. There has been an apparent decline in fertiliser subsidies following the post-reform period. The power sector too has been opened to the private sector and certain states have revised their tariff rates on power access including Andhra Pradesh where the power charges have significantly increased. The water charges too have increased and certain states such as Andhra Pradesh have made it mandatory for the stakeholders to contribute towards the investment done by the state in the irrigation project. In the institutional credit sector, the role of Regional Rural Banks' (RRBs) targeted priority sector lending has been diluted by the Narasimham committee and Khursro Committee (1992). These have resulted in the additional cost of cultivation being incurred by the farmer as farming is becoming an unproductive exercise. This has deep rootedness in the reforms initiated under the guidelines of the International Monetary Fund (IMF)<sup>7</sup>.

**II. Political Economy of Agrarian crisis in India:** The present crisis in the country-side seemed to be impossible after the initial success of Green Revolution wherein the country not only became self-sufficient in food grains but also started exporting rice. The farmers lobbies were strong enough to bargain with the government and claim for their welfare activities. Flipping through the pages of the history of planning in India, it becomes apparent that the roots of the distress can be traced back to the planning policies adopted by the government. The planning model under Jawaharlal Nehru and Mahalanobis considered agriculture to be the base for the development of Industries.

<sup>6</sup> FBI refers to the difference between the value of output produced and the costs actually paid out.

<sup>7</sup> Acharya (2004, p. 677); Chand (2006); Dorin and Jullian (2004, p. 206); and Vakulabharanam (2005, p. 975).

However, soon after the death of Pandit Nehru, the New Agricultural policy under C. Subramaniam led to a culmination of what is today identified as the Agrarian Crisis which is exemplified in the trivialisation of the agrarian issues in the National Policy agenda. The success of Green Revolution led to the emergence of several large farmers who reaped heavy returns from the technology. This also was instrumental in the surfacing of “Rural lobbies” which were very powerful. Since they themselves were also the part of the cultivating class, they raised strong voices and demanded subsidies from the government. They also influenced the output prices in such a way that farming was a profitable exercise for the rich and poor farmers both. These lobbies had strong influence and therefore, all political parties took great care of their concerns. Therefore, much like other countries where there was a diversion of resources from agriculture to industries, such a thing was next to impossible in India. In fact, there was a significant transfer of resources into agriculture in the period following independence (Posani, 2007; Varshney, 1995; Krishna, 1987)<sup>8</sup>. But this continued only till the first three decades after independence. Later on the government suffered various issues like technological limitations and fiscal deficit related issues. Also, in order to keep the food inflation under a check, the government had to undertake certain measures to keep a check on the output prices of the agricultural produce. However, in the period following the reforms, not only the government’s investment into the agricultural sector has declined but also the peasant lobbies that existed earlier have diluted considerably. This dilution is primarily because of two reasons: first, the huge migration of people from the villages and second, the interest of the large farmers and poorer farmers don’t coincide anymore. Furthermore, the nature of politics in rural India has come to be recognised on the basis of ethnicity, caste and religion rather than the development issues especially those pertaining to the farming community. The trajectory of agricultural development and the politics associated with it can be discussed as below:

- a. ***Agrarian question (Political economy of “Town-Country” struggles, 1947-1990):*** Posani, 2007 has discussed the Agrarian question in India from 1947 to 1990. There has been a consensus amongst all developmental Economists that the trajectory of development follows the path of structural transformation wherein the resources from agriculture are transferred to industries and other sectors because the demand to agricultural products tend to decline as the surplus production takes place. However, the transfer of resources shouldn’t be the squeeze of resources from agriculture. The terms of transfer of resources from the agricultural sector to industrial sector are referred to as the agrarian question. This is the “Town-country” debate (Varshney, 1995; Corbridge and Harriss, 2000; Posani, 2007).

After independence, India was also given a poor state of agriculture by the britishers. Much of the agriculture was dependent on rainfall and the prospects of irrigation were limited. Therefore under the Nehruvian model of development, it was ascertained that the agricultural production has to be increased significantly. However, the path to be followed for such an endeavour was widely debated. On the one hand, the technocrats supported the increase in the food prices and thereby investing in new technologies to improve agriculture and supporting farmers to adopt these technologies by way of subsidising the inputs required by the farmers whereas, on the other hand, the institutional approach was being advocated by a

<sup>8</sup> Posani, B. (2009) “Crisis in the countryside: Farmer suicides and The Political Economy of Agrarian Distress in India”, Development Studies Institute, London School of Economics and Political Science, London, pp.10.

few wherein the focus was to be given to land reforms, farm-service cooperative and local self-government. The technocratic approach was not followed by Nehru-Mahalanobis because the government was committed to keep the food prices low in order to check inflation of the economy. Therefore, the institutional approach was adopted. The land reforms were initiated to provide the land rights to the tiller, the farm-service cooperatives were meant to incentivise the economies of scale to function and thereby leading to an increase in the farm output. The local self-government was aimed at improving the condition of the landless agricultural labourers who could exercise their voting rights and keep a check on the growing landed class.

Although, the agricultural production increased between 1951-52 and 1959-60 but this was primarily due to a good monsoon rather than an increase in yield but by the 1960s the production started to decline again. The institutional strategy failed because it didn't give a much needed focus to the "Political micro-foundations"<sup>9</sup> required for the proper functioning of the institutions. The land reforms were far from successful and it served only the interest of the large farmers. The coming up of Subramaniam as the new agriculture minister after the death of Nehru led to a shift in the approach of the government from being institutional to technocratic. Under his policy, Subramaniam adopted a three pronged strategy focusing on incentivising farmers to increase productivity, enhancing investment in technology, creation of institutions for better management of aforesaid objectives. Under this approach, the Green Revolution technology was adopted by India. All these culminated in a very different involvement by the state in the agricultural sector. Two new institutions were established, namely Agricultural Prices Commission (APC) and Food Corporation of India (FCI). The role of APC was to give price recommendations and the FCI was set up to buy and sell the agricultural produce at the price suggested by APC. However, the package technology led to the increased fiscal demand from the government upon the agricultural sector as the crops now required expensive fertilisers, irrigational facilities and relatively more expensive seeds as compared to the pre-green Revolution period. Therefore, the government had to give huge input subsidies to farmers. Nevertheless, agriculture continued to be a no-revenue sector. It was out of question to tax the peasantry at that point of time. This led to an imbalance in the fiscal demands. However, since the initial period of the Green Revolution was a huge success, the government was able to fulfil its objectives of self-sufficiency in food grains and it considered that the agriculture sector now was ready to stand on its own. This led to the steady withdrawal of government from the agricultural scene and diverting its attention more to the other sectors of the economy.

In the post reform period (1990s and onwards), the state has further reduced the investment in agriculture and therefore this has led to the culmination of crisis in the rural India.

- b. ***Political Economy of the post-reform period***<sup>10</sup>: in the neo-liberal era, it is apparent that the State has stopped to influence the agricultural markets and only provides input subsidies, technological and extensional support to a very limited extent. On the contrary, the State is now involved in providing welfare

<sup>9</sup> Ibid pp.16.

<sup>10</sup> Murthy, R.V. (2013) "Political Economy of Agrarian crisis and Subsistence under Neo-liberalism in India", *The NEHU Journal*, Vol. XI, No. 1, January 2013, pp. 19.



measures to the poor and needy people in the rural areas. With this kind of state support, a considerable proportion of poor farmers are propelled to become petty-commodity producers (Murthy, 2013). This has come to be recognised as a feature of the “post-colonial capitalist democracy”<sup>11</sup>. Consequently, there arise few fundamental questions: first, how is the petty production influenced by the distress conditions; second, what is the coping strategy of the small farmers and third, how does the state react to this distress situation. The neo-liberal reforms have catapulted the recent agrarian crisis. The macroeconomic regime under the neo-liberal state is typified by the deflationary tendencies and the “Structural Reforms” therefore do not allow the State to intervene in the agricultural sector too. It now can’t extend the institutional protection and credit to the agricultural sector. The transfer of affordable technology by the public sector has also been checked under the new regime. As a result of this, the Terms of Trade have eventually turned out to be against the agricultural sector. Even the Minimum Support Price (MSP) offered by the government is found to be falling short of the actual cost of cultivation incurred by the farmers. The capitalist farmers are therefore running into losses. Only the paid-out costs are being accommodated for and there remains no profit once the cost of family labour, interest on own land etc are being accounted for. Under such circumstances, the market price as determined by the MSP set by the State provides only subsistence to “Self-Exploiting farmers” and generates no amount of re-investible surplus for him. Subsequently, under such technological circumstances, a capitalist farmer is unable to cope up. The State has been unworried because despite the sorry state of affair of the poor farmer, they are still able to access the needed agricultural produce because the petty producers are ready to sell their produce at any price and are also ready to offer unpaid labour in return of subsistence. This free market economy has led to an emergence of private money-lenders and manipulative market structures which further accentuate the distress situation among the petty producers and trap them in a perpetual cycle of debt and misery. “The paradox to this condition is the ever increasing army of small and marginal farmers, a putative antediluvian category under classical theory, but marching into the suicidal enterprise of agriculture” (Murthy, 2013).

**III. Socio-cultural causes of the distress:** Reports from the five major states including Maharashtra, Andhra Pradesh, Kerala, Karnataka and Punjab indicate that most of the victims of suicides had been practising commercial agriculture. This introduced them to a number of new risks in the form of risks associated with production, climatic conditions, marketing and availability of credit. However, the victims mostly included those farmers who didn’t have access to the economic and social fulcrum necessary to be able to survive in the Green Revolution game. It is also seen that most of the victims were the marginal cultivators followed by small and semi-medium cultivators<sup>12</sup> and cultivators belonging to backward classes or from lower ranked caste groups. Also, it is seen that there has been an increase in the number of suicides committed by the traditionally non-agricultural castes for example, in Anantapur district, Reddy and Baliga have been known as the traditional cultivating castes but most of the suicides have been reported from the non-agricultural castes including Sale, Besta and Uppara

<sup>11</sup> Ibid.

<sup>12</sup> Marginal cultivators are those who have less than 1 hectare of land, Small cultivators having 1 to 2 hectares, Semi-medium having 2 to 4 hectares.

castes<sup>13</sup>. Similarly, in Amravati and Yavatmal district, most of the victims were from non-cultivating castes namely Telis, Beldars and Banjara and the Scheduled communities like the Mahar, Nav-Buddha, Chamar<sup>14</sup>. This is particularly significant because it reflects that how the traditional occupation of these castes has been affected in the post-globalisation period. Most of the people belonging to castes like potters, weavers, artisans, craftsmen etc have lost their jobs owing to the greater integration with the rest of the world. This has led to the decrease in the demand for their goods and services. As a result, they attempted to integrate themselves in the agricultural sector which seemed to be lucrative to them following the Green Revolution and thereby enhance their income by marketing their produce. Nevertheless, they lacked the credit facilities and the social capital required to prosper in this endeavour. Socio-cultural causes can be summarised as below:

- a. *Incongruity in the diffusion of Agricultural Knowledge:*** In the traditional times, the farmers produced the seeds themselves and therefore they had a comprehensive understanding of the requirement of the crops. The farmers nurtured their crops like their own child and raising the crop and harvesting were the acts of merry and celebration for the rural folk which is apparent in the custom of harvest songs in most of the agrarian societies. Also, the farmers shared their agricultural knowledge through cultural and social structures. However, the coming up of the New agricultural regime has changed these equations of reciprocity amongst the farmers. The farmers are dictated by the market-led strategies of production which they are themselves not conversant with. The use of Hybrid variety of seeds followed by the Genetically Modified (GM) seeds regime has made the farmers the slave of the technology. They are not aware about the ratio of inputs required for raising their crops and thereby lead to unprecedented crop losses. Although the technology has been increasingly being popularised in India but there have been no attempts towards educating the farmers to use them appropriately. This has led to the problem of “**Deskilling of Agricultural workers**”<sup>15</sup>.
- b. *Agricultural Individualisation:*** The increasingly commercialised agriculture has also hampered the social ties among the peasants whereby they are competing against each other in a quest to make additional profits. Following the adherence to the Green revolution technology and other forms of commercial agriculture, the traditional support during the crisis period as offered by the patron-client relationship has dismantled. The socio-cultural structures that acted as a basis for mutual cordiality and interdependence have been demolished by the market forces (Vasavi, 2007). Another dimension to the burgeoning crisis of individualisation amongst the agricultural masses is the constitution of nuclear families out of joint families. This leads to the problem of fragmentation of land-holdings leading to a decreased productivity on the one hand and absence of sharing of losses on the other.
- c. *Advanced marginalisation of the rural:*** The rural economy and affairs of the rural society have been largely neglected by the State and also the mainstream media. No longer, the popular quote by Mahatma Gandhi, “India lives in its villages” holds true. In the fanfare of increasing the level of urbanisation, the greater impetus is given to the cities and towns and not to the issues of poverty, education, healthcare, employment in the rural

<sup>13</sup> Vasavi, A.R. (2007), “Suicides and the making of India’s Agrarian distress”, pp.4.

<sup>14</sup> Mohanty, B.B. (2005) “We are like living Dead: Farmer suicides in Maharashtra, Western India”, *The Journal of Paesant Studies*, Vol 32, No. 2. April, pp.254.

<sup>15</sup> Stone, G.D. (2007) “Agricultural deskilling and the spread of Genetically Modified Cotton in Warangal”, *Current Anthropology*, Vol 48, No. 1. pp.77.

areas. We are living in the regime of a government who talks about the Smart cities but not about smart villages, who has billions and trillions to invest in urban planning but not to invest in a scheme like Mahatma Gandhi National Rural Employment Guarantee Scheme! Such is the state of affairs in our country.

**IV. Ecological causes of the crisis:** The intensive mono-cropping and increased cropping intensity has led to a decline in the agricultural productivity. The loss of soil fertility has been a major cause behind the stagnation of agriculture even in once productive areas like Punjab and Haryana. Further, extensive irrigation using groundwater has led to problems of contamination of groundwater thereby has led to further deterioration of the soil health (Reddy, Ratna et al, 2001 as cited in Murthy, 2013).

#### **Conclusion:**

Thus, it can be concluded that the agrarian crisis is a manifestation of various economic, socio-cultural, political and ecological reasons. The deepening crisis can be realised by the growing symptoms of the crisis in form of an increasing number of farmers committing suicides day in and day out. The failure of the government in order to provide necessary safeguards to the farmers in the era of opening up without taking substantial steps to protect the most vulnerable sector of the economy has been the fundamental cause behind the crisis. Most often the commercial cultivation of cash crops namely cotton, groundnut etc. has been cited as the major cause of the loss incurred by the farmers as these crops are highly volatile to price fluctuations and the input cost of seeds, fertilisers and pesticides associated with the cultivation of these crops worsens the condition of the farmers cultivating them. Also, these farmers are trapped in a vicious debt trap which ends up by taking the life of the poor farmer. The condition of small and marginal farmers is the worst and not to mention the pitiable condition of the agricultural labourers. An increase in unemployment, indebtedness, poverty is another dimension of the crisis. This reflects the interaction of political and economic factors in influencing the situation of the farmers in India. However, other factors such as growing regional and inter personal disparities along with commercialisation and individualisation of farming systems have exacerbated the crisis of agrarian households. The ecological side of the crisis can also not be ignored. Therefore, a multi-pronged approach is required to deal with the agrarian crisis. It is imperative for the state to intervene for protecting the farmers by increasing capital formation in agriculture, by improving the market scenario for these crops and making policies for the welfare of the farmers including crop insurance, encouraging employment generation schemes etc. Also, in order to deal with the ecological aspects of the crisis, it is fundamental to inculcate sustainable practices in the agricultural sector.

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