

India: government policies lead to terrible toll in rural suicides

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Indebtedness, crop failure and the inability to pay back loans due to high rates of interest have led as many as 25,000 peasants in India to commit suicide since the 1990s, according to official figures. The systematic neglect of India's multi-million peasantry, combined with the free market policies implemented by successive governments, are responsible.

On February 19, Alladi Rajkumar, a senior parliamentarian from the opposition Telugu Desam Party (TDP) in the southern state of Andhra Pradesh, reported in India's upper house of parliament that over 3,000 farmers had taken their lives during the past 22 months under the Congress-led state government. The deteriorating conditions of the peasantry were a significant factor in the defeat of the previous TDP administration.

Andhra Pradesh has become one of India's leading areas for investment by global transnational corporations. Under both Congress and TDP governments, the state has been largely run under budgetary guidelines formulated by the US firm McKinsey, the International Monetary Fund (IMF) and the World Bank. While the state has been flung open to the activities of transnationals, the rural poor have been ignored. Andhra Pradesh has recorded among the highest number of peasant suicides in the country. From 1997 to January 2006, over 9,000 peasants took their lives due to the failure of cotton crops. In 2000, 22 peasants in the Kundoor district sold their kidneys to settle their debts.

The Punjab has also recorded a high rate of farmer suicides. According to state government claims, there were 2,116 cases between 1998 and 2005. Non-government organisations argue that this figure is a gross underestimate. Inderjit Jayjee of the Movement Against State Repression told the *Indian Tribune* on April 2: "Andana and Lehra blocks of Moonak subdivision in Sangrur alone have reported 1,360 farmer suicides

between 1998 and 2005. If all of Punjab's 138 blocks show roughly the same level of suicides, the number would exceed 40,000 for the given period."

The suicide toll is by no means confined to these two states. The western state of Maharashtra witnessed over 250 farmer suicides in Vidarbha district during the six-month period from June 2005 to January 2006. The agriculture minister in the national Congress-led United Progressive Alliance (UPA) government, Sharad Pawar, told parliament last month that cases of suicide have also been reported from Karnataka, Kerala, Gujarat and Orissa.

In an interview on November 15, 2005, with the *Indian Express*, Pawar stated: "The farming community has been ignored in this country and especially so over the last eight to 10 years. The total investment in the agriculture sector is going down... You will be surprised in the budgetary provision, not more than 2 percent has been allocated for agriculture, where more than 65 percent of the population works... In the last few years, the average budgetary provision from the Indian government for irrigation is less than 0.35 percent." This neglect of irrigation, he said, forced 60 percent of agricultural areas to "depend totally on the erratic monsoon."

During the campaign for the 2004 national elections, Congress leaders such as party president Sonia Gandhi and Manmohan Singh, who became prime minister, shed a few crocodile tears over farmer suicides. The Congress election manifesto promised to "liberate the country from poverty, hunger and unemployment". In practice, however, the UPA government has proven that its attitude toward the peasants is no different from its predecessor. The allocation for the agriculture in its February 28 budget was just 1 percent.

The UPA's main policy in rural areas is the cosmetic National Rural Employment Guarantee Scheme (NREGS). The government has pledged that one member

of every rural household will be provided with 100 days of work per year, paid just 60 rupees (\$US1.33) per day. Although the scheme was part of the UPA's so-called Common Minimum Program (CMP) during the 2004 election, its inauguration was delayed until February 2006. Moreover, while the initial estimate for the scheme was 400 billion rupees (\$US9 billion) a year, the allocation in the national budget delivered on February 28 was just 117 billion rupees.

In 1928, a Royal Commission report on the plight of farmers under British colonial rule in India stated that the peasant lives and dies in debt. The same basic rule holds for most Indian farmers today.

The indebtedness of Indian farmers rose markedly in the 1990s following the turn by successive Indian governments to market reforms and the opening up of the Indian economy to foreign investors. Prior to 1991, 25 percent of Indian peasants were indebted. Now, according to figures provided in January by P. Sainath, the rural affairs editor of the Hindu, 70 percent of farmers in the state of Andhra Pradesh are in debt. In Punjab the figure is 65 percent, Karnataka 61 percent, and Maharashtra 60 percent.

Government actions have directly triggered the rise. According to a Reserve Bank of India report in 2003, World Bank dictates resulted in a steady decline of rural credit to small and middle peasants from government banks and cooperative societies. Lending declined from 15.9 percent in June 1990 to 9.8 percent in March 2003. This shift in government policy compelled small and middle farmers to turn to private moneylenders for loans—at exorbitant interest rates of 40 percent or more per annum—to purchase seeds, fertiliser and other agricultural inputs.

“The banks have given no loans in the past seven years,” Malla Reddy, the general secretary of the Andhra Pradesh Ryuthu Sangham (APRS), explained. “So many farmers are forced to depend on sources like these for credit. The same man advises them on what to buy and then sets the rates for the purchase.” More and more farmers have failed to earn enough to pay back their loans and so have fallen deeper and deeper into debt.

Across India, over 43.4 million Indian peasant families are deeply indebted. Small and medium peasants are the worst affected. The number of rural landless families increased to 35 percent between 1987 and 1998 and soared to 45 percent between 1999 and 2000. Between 2003 and 2005, the figure jumped dramatically to 55 percent.

At the same time, farmers have faced declining incomes. According to a Ministry of Agriculture report, the income for West Bengal paddy farmers has fallen by 28 percent since 1996-97. During the same period, the income of sugar cane growers in Uttar Pradesh had dropped 32 percent, while in Maharashtra, cane growers have lost 40 percent.

A steady decline in infrastructure investment and cuts to state subsidies, together with droughts, floods and insect infestations have contributed to the growth of rural social misery.

According to New Delhi-based agriculture economist Rahul Sharma, the cost of rural production has gone up by 300 percent since the 1990s, in large part due to government policies. In Andhra Pradesh, the power tariff was increased five times between 1998 and 2003. As governments have withdrawn support for rural farmers, prices for farming equipment have skyrocketed.

Due to deregulation, the quality of seeds has declined. In the past, the Indian government regulated that the minimum germination rate for seeds had to be at least 85 percent. Following corporate pressure, the minimum rate was reduced to 60 percent.

Indian peasants have faced greater global competition due to the deregulation of agricultural markets. In 1999, the Bharatiya Janatha Party (BJP)-led Indian federal government signed a pact with the United States to grant US producers import permission for 1,429 agricultural products that were previously prevented from entering the local market.

The UPA government of Prime Minister Singh is continuing the free market restructuring of the economy. During US President George Bush's visit to India in early March, Singh signed an agreement that further opens the agriculture sector to firms such as Monsanto.

These measures will further exacerbate the already intolerable conditions of Indian farmers.



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