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IIC

Agrarian Crisis and Farmers' Suicide

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Agrarian Crisis and Farmers' Suicide*

We meet on a happy note on this occasion. As you all probably know, our Union Agriculture Minister was recently appointed President of the International Cricket Council (ICC). I am sure we are all delighted, for who can deny that he has spent a considerable amount of his time and your money on the business of cricket? In 2008, *India Today* carried an interesting story where they checked the entire Union Cabinet for the number of trips abroad: the number of days spent outside the country, the purpose of foreign travel, even the mileage. The most interesting case was that of the Minister for Agriculture because the number of days he spent on work for the Board of Cricket Control and Cricket (BCCI) – plus other personal trips – was almost twice the number of days that he spent on work for the Government of India.

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One of the facts not commonly known is that whether it is the Union Agriculture Minister or the serving Chief Minister of Maharashtra – where the largest number of suicides in the country and in the world in a single community took place – neither of these gentlemen visited a single farm household in distress. The only exception was when Prime Minister Manmohan Singh came to Vidarbha, worried and appalled by what he was hearing and reading. His visit prompted these ministers, who then actually went to a village where they heard some distressed people speaking, but not to a suicide-hit household.

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I am told that the IIC has kindly given us this room for 150 minutes. Now, I want to tell you that in those 150 minutes the Government of India will have written off taxes worth 143 crores for the wealthiest people in this country. These are not subsidies – which are much larger – these are just taxes written off under three heads. Those of you who would like to check this out will find this in the budget, where there is a section called statement of revenue foregone. I ask you to look at Tables 5-12 in that section. These write-offs include 80,000 crores in direct income tax, approximately 170,000 crores in excise duty, and about 250,000 crores in customs duty. It is important to remember that whenever we say we don't have money for PDS, or seek to include more people in the BPL, the definition of BPL has to be decided by how much money we have, not by how many households there are. Yet we have 500,000 crores to write off under just three heads. I could just show you a few hundred thousand crores more that are embedded in subsidies. Let me draw your attention to another fact. This write-off is a recurring waiver: it has happened every year since 1991 and is rising so fast that the budget itself makes a note, below Table 12, to say that this is not a good trend and something must be done about it. Let me also tell you that these write-offs are apart from all those financial stimulus packages that came after the 2008 market collapse. Do you remember the publicity, hoo-ha, drum-beating when tens of millions of farmers in 2008 were given a one-time 70,000 crore debt waiver? While this huge waiver is for a very narrow group of people, the farmers' debt waiver impacted tens of millions of people.

It is important to remember that whenever we say we don't have money for PDS, or seek to include more people in the BPL, the definition of BPL has to be decided by how much money we have, not by how many households there are

I repeat that although these are not subsidies they are still a significant part of your GDP. Incidentally, what are these write-offs worth? The budget gives you that figure. The budget clicks its tongue because it says if you look at these write-offs as percentage of the aggregate tax collection under those heads, the Government of India has written off close to 80 per cent of what was legitimately to be collected under those heads. And yet, the same budget cuts 450 crores from food subsidies without any compunction. This is the country you live in.

All these concerns fall within the larger rubric of inequality. And inequality in India today is something spectacular. It has grown faster in the last 15 years than at any other time in the preceding fifty. We will come to those statistics later but they are not peculiar to India: the same processes have been flowing around the world for twenty odd years.

Rewind just a bit. Let us go to the financial meltdown of 2008 in Wall Street and you will see how a similar process operates at the global level. Every year, the United Nations Development Program (UNDP) takes pains to give you a bunch of bills and estimates. You may have seen these numbers. An additional $15 billion a year will solve the sanitation problems of the planet; an additional $12 billion a year will send every child in the planet to school; an additional $10 billion a year will solve the problem of extreme hunger, and so on. The final bill of about $ 60-80 billion annual additional expenditure would control some of the most basic problems of the human race. We are told this has never happened in all these thirty years because there was no money. Yet when Wall Street hit the fan, a world that could not find an additional $ 60 billion for vital expenditure in thirty years suddenly discovered that we can find $1.7 trillion in a week to bail out the market! So it was not that there was no money. It was that there was no money for the mass of people.

If you read the minutes of the latest EGOM on food security, the first item is that a Bill on Food Security should be delinked from the larger issues of nutritional security

A great new trend in the Indian governance today is EGOMs (Empowered Groups of Ministers). If you read the minutes of the latest EGOM on food security, the first item is that a Bill on Food Security should be delinked from the larger issues of nutritional security. There is no need to confuse these two. Some fundamental shifts and transformations have taken place. Let me outline two or three and then we will get into the question of farmer suicides. One is that prior to the 1990s, the Indian state – however flawed, however inadequate – tried to act as a mediator between different and conflicting class interests. It tried to mediate, very partially, very inadequately, but it tried. Post-90s, that has disappeared not because (as my left-wing friends would like to believe) the state has withered away or (as the free marketeers would like to believe) that the state has withdrawn, I assert that the state is more activist and more interventionist than it has ever been in our history. The difference is that now it exists exclusively for the wealthy and super-rich. It is not interventionist on behalf of those other classes that it earlier tried to accommodate.

There is a new buzzword today: inclusive growth. I love this inclusive growth stuff. When the price decontrol on petrol was announced in Delhi, our learned and beloved professor, our Prime Minister, was lecturing leaders in Toronto on inclusive growth. I love the irony of that. Where a state tried to mediate between different interests, where it tried to balance, the space for those other interests to be articulated, let alone be listened to or respected, that space has shrunk dramatically. The Indian elite, and the global forces and global finance that they seek to integrate themselves with so rapidly in what I call the gilded global ghetto, their interests reign supreme. Secondly, it is now all right in this new state and for its highly paid apologists, whom we can find on any television channel or any newspaper, to assert that what is good for the elite is national interest. Look at how the public, on the one hand, are reacting to the price decontrol. Also look at how, on the other, the fact that every editorial of major newspapers (barring one or two) has celebrated and congratulated the Government of India for price decontrol even while the ministers of the government are trying to distance themselves from it. The media has declared that this was a great thing to do, absolutely the right thing to do. You find editorials on Bhopal which say that now Bhopal should get over this hang up and the activist industry should stop milking it dry. I am reminded of Murray Kempton, an editor of *New Republic* in the 1960s, who defined the function of an editorial writer as one who goes down into the valley after the battle is over – and shoots the wounded. I think we do a fairly good job of that.

The point is that the interest of the elite has been interpreted as the national interest. Let me give you one example. Two parliament sessions ago, for the first time in the history of this country, an entire session was devoted to discussing the dispute between the Ambani brothers. And what were they fighting over? Not Dhirubhai's legacy, property or inheritance rights, they were fighting over a public resource called natural gas. In fact, the Prime Minister issued an appeal to the two brothers to sink their differences in the national interest. Here is the point. There is a nation now in which the public does not count. What is good for private or corporate interest is now seen as the national interest: the nation is India Inc. Incidentally, in over sixty years of democratic rule, there has never been a session of Parliament dedicated wholly to discussing agriculture. It has been my demand for the last ten years to have one session of Parliament to discuss the agrarian crisis, the largest crisis in our history, but it has never happened.

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There is a decisive swing from public interest to the private in every sphere. I have to congratulate Dr. Pranab Mukherji for the honesty of this budget that makes it very clear that not only will the government not be a provider for the poor, but that the government will not try to provide everything to the poor: its role now is that of an enabler. For the first time, the private sector is being declared as the focal point of the economy, (they don't call it the private sector, it is now dubbed 'non-governmental actors'). So he is saying that from now on, government is no longer the decisive actor in the economic sphere, it is the private sector. An enabling government, he says, does not try to deliver directly to the citizens everything that they need: instead, it creates an enabling ethos. What it enables the private sector to do is enormous, I grant that. These fundamental shifts and transformations in the politics show up in every sphere of Indian life.

In the '90s and 2000s those massive peasant struggles have given way to massive peasant suicides

There is one thing that keeps bothering me. The 1960s and '70s were a time of massive peasant uprisings, peasant rebellions, peasant struggles, land reforms and land redistribution as millions of acres of land were redistributed to poor people in this country following the peasant struggles. In the '90s and 2000s those massive peasant struggles have given way to massive peasant suicides. Something very fundamental has changed: Where are those great struggles? For over a decade now, the nation has grappled, or failed to grapple, with the biggest agrarian crisis in our history since the Great Revolution and millions of people have left their homes and occupations to become migrants.

If you compare the census of 1991 with the census of 2001, it shows you that close to 8 million human beings have quit farming for good. The number of cultivators in the 1991 census is 111 million, and in the 2001 census, it is 103 million. When we get the 2011 census, we will know how many more millions have joined this number. According to the National Sample Survey (NSS) data, the period between 1991 and 2001 also saw the doubling of peasant indebtedness. In 1991, 26 per cent of all farm households were in debt; in 2001, that figure rose to 48.6 per cent as new forms of usury unfolded. When I addressed a huge meeting of Reserve Bank of India (RBI) programme officers, they were quite mystified by some of the terms I used. New forms of bondage have accompanied the new forms of credit. Whole villages have half or wholly emptied themselves as distress migrations have seen countless thousands set out in search of jobs. The only mitigating event in the last ten years is the introduction of the National Rural Employment Guarantee Scheme (NREGS), which in some parts of Andhra, Telangana or Rayalaseema had a signal effect on the migrations, I concede that. But NREGS is seriously circumscribed by its own design, implementation and policy that do not allow it to develop to even half of its real potential.

There has been a collapse of agriculture, of incomes and of food security. Let me give you a picture of that transformation. Thirty or thirty-five years ago, a cotton farmer in Marathwada or in Vidarbha could buy 15 gms. of gold by selling one quintal of cotton. Today, the same farmer would have to sell 5-7 quintals of cotton to buy 10 gms. of gold. That is how much his (or her) world has transformed. The collapse of the farmer's world has resulted in the largest wave of suicides in recorded human history. Between 1997 and 2008, according to the National Crime Records Bureau (NCRB), 2,000 farmers in this country have taken their lives. There may have been greater episodes in history we don't know of, but in terms of recorded history if you want the 'exact' government figure for the number crunchers, it is 1,99,132 till 2008. Remember that the 2009-10 figures are yet to come and the average has never fallen below 16,000 in any year since the crisis began.

Before I talk to you about those numbers and what they mean, I ask you to reflect on one thing: What does today's farmer control? What does he, or she, own other than the land? Which sector of farming do they exercise control over? Seed? No. Seed is controlled by a handful of corporations. Not fertilizer: that is controlled by a handful of very large corporations. Not pesticides. That is also in the hands of corporations. Not electricity, not water, which utility prices have been hiked in some states 70 per cent over, as Chandrababu Naidu did, or even worse in some other places in terms of water charges. (By the way, we are in the process in this country of privatizing water and privatizing irrigation water. Laws have already been passed in several states). So, what does the farmer control? He has the land – but even that is a tenuous hold – and he may or may not have livestock. We call him (or her) a farmer, but what do they control in the sector called farming? Almost nothing.

The collapse of the farmer's world has resulted in the largest wave of suicides in recorded human history

Cultivation costs have exploded, I could go on forever about that but let me give you an idea of what this means for a cotton grower. For although all the suicides have been amongst cash crop growers, the largest number of suicides has been amongst cotton growers but, in comparison, fewer food crop farmers have committed suicide than cash crop farmers. There is a reason for that and we will come to it later. What has happened to these farmers? Since everything has gone out of their control, there has been an explosion of costs. In the name of free market and market-based pricing, there is naked extortion and racketeering. This has been proved even in court, where people have been ordered to bring down the price because it is simply several hundred per cent more than justified.

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There are many examples of that but to give you an idea let us take a farmer who was growing cotton at the time that one quintal brought you 15 gms. of gold. Or let us go back to 1991, when the period of reforms begins. I am not talking of an organic or natural farmer: I am taking the case of a pucca green revolution, chemical-using farmer. In 1991, one acre of cotton for an irrigated farmer, with all the works, cost Rs. 2,500 rupees. Today, this same farmer would have to spend Rs. 20,000 for one acre of cotton in Wardha. This means that his costs have gone up several hundred per cent but his income has crashed.

How many of you are familiar with the average monthly per capita expenditure of a farm household in this country? The NSS data tells us the average per capita monthly expenditure of a farm household is Rs. 503, of which 58-60 per cent is spent on food. You may ask: aren’t better prices benefiting farmers? I would reply: who told you that the benefit goes to the farmers? Higher minimum support prices (MSP) do help the farmer but for the idea that the farmer has walked away with the higher price, you need to know which country and society we live in. An average between Kerala (the best off at Rs. 900) and Orissa (the worst off at Rs. 225), that is, the average across all states in the country, is Rs. 503. Their monthly per capita expenditure is an average of 60 per cent on food because over 70 per cent of Indian farmers are net purchasers of food grain. They buy their food from the market and it hurts them a lot more than it hurts you when the prices go up. Another 18 per cent is spent on fuel, clothing and footwear. The remaining 20 per cent is for everything else, including education and health and transportation. The same data show us that the people are spending twice as much on health as they do on education. By the way, health debt is one of the biggest sources of debt and health costs are the second fastest growing component of rural family debt in most parts of the country.

I will never forget the farmer in Nalamara in Ananthapur district, abusing his friends in hospital for having saved his life. His friends had tied him on a bamboo, turned the bed upside down and run 4 km, found a jeep, rushed him to hospital and he was abusing them in language that would make a sailor on shore leave blush. But this is ridiculous, he was told, these people saved your life, your family owes them something. His angry reply: 'What do you know? I tried to kill myself because of over four years of continuous failure in agriculture, I accumulated a debt of one lakh that I was not able to repay and I was humiliated every day by my creditors. In four days in this damned hospital, I have run up a debt half that amount – Rs. 49,000.'

You will find across all the crisis districts, health expenditures are one of the highest items on their expenses. You will also find significant numbers of farmers who have mortgaged their lands – like Viswanath Jade of Wardha who mortgaged nine acres – to pay for the operations and surgery in his family though the land is worth a lot more than the surgeries. So the costs of cultivation have simply destroyed the farmer and at the same time we are cheating them by lowering standards.

On a trip to coastal Andhra, I was once surrounded by a group of farmers who found out I was a journalist. They asked me: suppose you went to a pharmacy and the chemist said, here is a medicine, 60 per cent of it will work. Will you buy it? I said, don't be crazy. But they said you expect us to do it, don't you? So I said how? They showed me a packet of seeds and I had not looked at the changes on the reverse of the bag. Those changes had been one year in existence before I realized it. The government with MoUs with seed companies had changed the minimum germination rate from 85 per cent to 60 per cent. So, suppose a village bought 10,000 bags of seed, what it was actually getting for full price was Rs. 6,000. Such things have devastated cultivation costs. At the same time, the promise of more attractive prices has moved millions of Indian farmers from food crop to cash crop in the last twenty years. The thing about food crops

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is at the end of the day you can eat your paddy: it is very difficult to digest cotton. So we have shifted people, moved them to a higher cost economy, locked them into an incredible global volatility of global prices that are controlled by a handful of transnational corporations. Naturally, they are in big trouble.

The tally is almost 200,000 farmers in 12 years. First, two-thirds of these suicides have occurred in five states

What about suicides? The tally is almost 200,000 farmers in 12 years. First, two-thirds of these suicides have occurred in five states: in fact, in nine regions of five states (Maharashtra, Andhra Pradesh, Karnataka, Madhya Pradesh and Chhattisgarh). These five states account for just under one-third of the population. The second common fact between the states where the suicides are taking place is that they are regions of highly commercialized cash crop agriculture – such as vanilla, coffee, pepper, cotton, primarily cotton – and cash crop farmers are the primary victims. Incidentally, all the figures that I give you now will look much worse when the new census comes out because we are all operating with 2001 data numbers on farmers. As a matter of fact, we will find out there are far fewer farmers in Maharashtra and the suicide ratios are going to look horrible. They will look a lot worse when we know that the numbers are mounting on a shrinking base of farmers.

Let me give you an example. In the big five states, non-farmer suicides in ten years increased by 23 per cent over a decade, while farmers' suicides increased by 53 per cent. Obviously, one community is paying the price of what we are doing in a very large way. Let me further analyze that data for you. I said two lakh suicides, but it is not even across the 12 years from 1997 to 2008. We can look at it in various ways. We can divide the 12 years into four quarters or divide the 12 years into two halves. Let us take two halves. If you compare the number of farm suicides in the first six years with the number of farm suicides in the second half, they are much higher in the second half. This means the situation is not just declining, it is getting worse. In the second half, the annual increase in average is about 2,000 a year. The last year for which we have available data is 2008 and we may not have such data much longer because people are getting very angry with the NCRB and the Government of India that blatantly lied to MPs by producing figures of dubious authenticity. The only authentic source is the NCRB because it is the only organization in the country that tracks suicides everywhere, whether it is students' suicides or farmers' suicides or businessmen. Yet the numbers are so embarrassing that governments do not want to look at them. In fact, Mr. Vilasrao Deshmukh as CM, when confronted with one of my stories at a press conference, declared very angrily, '*Yeh kya cheez hai, NCRB*?' (What is this thing, this NCRB?). Knowing Mr. Deshmukh, he probably thought the NCRB was the youth wing of the NCP – and was thus a rival organization trying to embarrass him.

In the second half (2003-2008), on an average, one farmer committed suicide roughly every 30 minutes There are dips in some years and increases in some others, but the overall trend has been frightening and unrelenting. The highest number of farmers' suicides in India has occurred in the richest state in the country with the maximum concentration of wealth: Maharashtra. As many as 23 of the 49 people in the Forbes list of billionaires (whose wealth is equivalent to roughly one-fourth of our GDP), have addresses in Mumbai. Yet Maharashtra, the same state that has these 23 billionaires, also had 44,468 farmers committing suicide. If you take figures from 1997, the tally is 41,404. Sometimes in the course of my work, I have come across two suicides in a household and, in rare cases, even three in the same household.

Why is all this important? There are many new studies on suicides and one of my favourite ones has recently come out of Kerala. This study, which covers 1690 farm suicide households, is pleased to declare that the suicides have nothing to do with the agrarian crisis. They have given 20-30 reasons that make a complete list of the agrarian crisis. They say: but when we asked them (the farmers) that question directly, we did not get that answer. They actually say the problems are debt indebtedness, low productivity, crash in production, crash in prices, crash in incomes, expensive input costs. That is a beautiful description of the agrarian crisis. Maharashtra has done 13 studies. The last was devoted to yours truly because the first 12 gave such negative reports to the government of what had happened that they kept looking for someone to say something nice. They finally found one gentleman. He did not visit a single farm household but I am very pleased because he gave me four pages to trash all that I had said about farm suicides that had been affirmed by all the other commissions and enquiries. He has since been amply rewarded by the government and now performs on a national stage where earlier he was confined to Maharashtra.

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One of the claims that he made (on behalf of the government of Maharashtra) was that you should not take farm suicides as a ratio of farmers, you should take it as a ratio of general population. Yet, to be able to show that there were states worse off than Maharashtra, he used the single criterion of arm suicides ratios! So his report ended up finding that the worst states in the country in farm suicides are Goa and Pondicherry, both of which have had less than 300 suicides in the preceding ten years. Anyway, their ratios would indeed be very high – as they have very few farmers in the first place! I was very pleased about that attack because it earned me a full front page on *Mumbai Mirror*, which is no small achievement because I think I relegated Rakhi Sawant to Page 7.

a lot of social and other prejudice goes into defining who is a farmer. Perhaps thousands of women farmers have not had their suicides recorded. Their suicides are recorded as suicides

Why I say that the numbers are *authentic but not accurate* is because a lot of social and other prejudice goes into defining who is a farmer. Perhaps thousands of women farmers have not had their suicides recorded. Their suicides are recorded as suicides. That is suicides by farmers' wives or daughters. Now if you take the data too literally, then the best place in the world to be a farmer is Haryana, which has never had a woman farmer suicide because they don't concede that women can be farmers. Let me show how the ratio differences have been working. Why do we say that Maharashtra is the worst state when Andhra has actually had a greater percentage of increase over a decade? In Andhra, farm suicides have increased by 127 per cent in ten years. But other sections have also been hit, and non-farmer suicides have increased by 48 per cent while general population suicides have increased by 58 per cent. However, in Maharashtra, in ten years, farmers' suicides increased by 105 per cent, general population suicides went up 14 per cent while non-farmer suicides *actually declined by 2 per cent*. This means that the farmers were in a pressure cooker. By the way, the recording of many groups are excluded, as for example agricultural labourers. Many of them are migrant labourers who go and die somewhere else. I believe that eight groups are completely excluded. All this is the result of certain processes that have been unleashed in the world in the last 20-25 years, which I briefly mentioned in introducing the subject.

Let me briefly summarize the reasons for the agrarian crisis – which is a lot bigger than just farmers' suicides – so far. One: the withdrawal of the state from sectors that matter to poor people: health, education and housing. Two: huge expenditure cuts, especially in the social sector. Three: slashing of subsidies and support to people who badly need it. Four: the dramatic transfer of wealth from poor to rich. Five: the unprecedented rise of corporate power. Six: the imposition of user fees and costs on people who cannot afford it. Seven: a mindless deregulation of agriculture and the privatization of just about everything, including intellect and soul. Eight: the rise of the ideology I call 'Market Fundamentalism.' And to these you can add the unprecedented loot of natural resources that devastates both environment and countless marginalized people.

Now what were the confluence of factors that caused 200,000 suicides? Again, I am giving you a crude summary. One: skyrocketing of input prices. Two: a collapse of income and a rise in the average monthly per capita expenditure of the household. Three: withdrawal of bank credit. Four: the declining investment in agriculture. The only person who has done great work on this is Professor Utsa Patnaik. Very few academics have taken interest in the issue of the agrarian crisis. Utsa Patnaik's *Republic of Hunger* shows you, among other things, that if you took total investment as a share of GDP of agriculture and all related issues, irrigation, rural development, in 1990 it was 14.5 per cent of your GDP, by 2006 it was 5.9 per cent, that is a fall of about Rs. 30,000 crores a year in real terms. You may as well send out the air force to bomb the people, it is more cost effective than to kill people that way than with Rs. 30,000 crores withdrawn, which means withdrawing $ 7-8 billion a year in investment from the countryside. Five, global prices shocks and volatility. Take coffee, four companies (Sara Lee, Kraft, Nestle, Starbucks) set or control most of the prices of coffee in the world. So you have external factors, you also have agricultural commodities trade controlled by a handful of corporations. Then you have declining investment, global price and absolutely wasteful subsidies. Several people tell me that BT cotton has changed everything: look, so much more production. I have a simple question as my reply: If it was so wonderful, why is the United States – the birthplace of BT cotton – subsidizing its cotton to the tune of over $ 4 billion a year? If it is so profitable, you should be beating the pants off the competition, instead on a total cotton output worth $ 3.9 billion, you have given a subsidy of $ 4.7 billion. This is apart from all the subsidies that they give to cattle and livestock.

Now what were the confluence of factors that caused 200,000 suicides? Again, I am giving you a crude summary

My friend Vijay Javandia, one of the greatest thinkers on agriculture in this country, lives in Wardha and is himself a big farmer. We were looking at subsidies for cattle and livestock ($ 3 a day in the European Union for cattle), when poor Javandia was confronted by a TV reporter who asked while shoving a mike up his nostril, 'Mr. Javandia, what is the dream of the Indian farmer?' Javandia replied, 'The dream of the Indian farmer is to be born a European cow.'

Remember that farmers are also human beings who send their children to school, provide for operations on their ailing mothers, and so on. The explosion of all those costs has crushed them

Next, we come to wasteful subsidies. At the global level, and in rich countries, these subsidies add up to about a billion dollars a day. Our farmers are far more competitive, far cheaper. I am not merely making this statement as a matter of pride but I am telling you facts as they are. They can win hands down in any fair competition but they cannot do so because of our structure of subsidies and the mechanism of global price controls. Remember that farmers are also human beings who send their children to school, provide for operations on their ailing mothers, and so on. The explosion of all those costs has crushed them. Another very serious problem in the countryside is the fraying of old community networks. This is why the entry of big players into retail trade is going to hurt them very, very badly. Thus, the real agricultural crisis is being driven by bad policies and not by drought, flood or natural calamity.

Now what do we know about the debt and credit of farmers? I love this section because it really brings the different sections of India together but not in a nice way. What do we know about debt? One, we know that debt is a primary driving factor in the case of farmers' suicides. How do we know this? While experts sit and ponder the psychological aspects of this phenomenon, farmer after farmer in Vidarbha is committing suicide leaving behind notes saying why he committed suicide. The last one was specially sad for me because a small farmer had written his suicide note on a 100-rupee stamp paper in the hope that it will be taken seriously and addressed it to the President and Prime Minister of India. All his life, he had to get every legal, every important document he had notarized on non-judicial stamp paper, so he chose to die after writing his death-note on a judicial stamp paper as well. This letter explains his debt as he explains his crisis. He begs that his family be forgiven the debt. Now the farmers are telling you what their reasons are in their suicide notes. So we know that debt is a primary factor. Second, we know that peasant indebtedness almost doubled between 1991 and 2001. From 26 per cent of all farm household being in debt to 48.6 per cent. We know that successive governments have let banks slime out of the countryside. Let me give you an example. If you look at the RBI's quarterly journal, in the first thirty years or forty years of independence, the number of bank branches after nationalization grew tremendously in the countryside. Prior to bank nationalization, only 16 per cent of bank branches were rural. Post nationalization and pre-reform 1991-92, nearly 60 per cent of Indian bank branches were in rural India. Post reform, it is down to 46-47 per cent. A few thousand banks have shut down their branches in the countryside and withdrawn. Even if we accept the government's claim that some of these were just redesignated as urban branches, the number is well above 1500. Yet minister after minister stands up and tells you each year, we have doubled or tripled agricultural credit. So who is now getting agricultural credit? It now goes to Ambani, it goes to a lot of very big players. Let me explain to you how it does that.

Take the years 2000-2006, agricultural loans worth less than Rs. 25,000 that are taken by small people, small farmers, those have reduced by more than half. Which are the loans that have increased? Loans in excess of Rs.10 crores and Rs. 25 crores in agricultural credit have increased. I don't know how many subsistence farmers you have met who have taken a loan of Rs. 25 crores. Incidentally, the way we have redefined agricultural credit, if Mr. Ambani opens a cold storage in Connaught Place, he will get an agricultural rate of credit for it because cold storage keeps vegetables and vegetables are agriculture! Yet the farmer who grows those vegetables does not get credit. Now we show absolute expanded numbers of credit but do not give the percentages. Does anyone in the room know what percentage of national credit from all scheduled commercial banks goes to rural India where 72 per cent of the country's population lives? It is 7.93 per cent and that includes all the scams in credit. So in the absence of formal credit, people turn more and more to informal credit. Ironically, small money lenders are committing suicide because their clients are bankrupt and have run away or cannot pay. Money lenders are not a professional class or run by a guild. There are a lot of small, non-professional class of ordinary, if nasty, mortals. Besides, new classes of money lenders have emerged who make the small village usurer look halfway decent. Today the lynch-pin of the countryside is the input

Post nationalization and pre-reform 1991-92, nearly 60 per cent of Indian bank branches were in rural India. Post reform, it is down to 46-47 per cent

dealer because input costs have become so high, because he is for the farmer now (since universities are busy doing research for Monsanto and Cargill), that input dealer is also the technologist, he is the agro-scientist, he is the consultant and he is everything, he is the creditor. So he sells the already inflated inputs at even more inflated rates – on credits with high rates of interest, illegally.

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Our new breed of MLAs and MPs could well come from this class of people in the next election in the countryside. Input dealers are really making money. Incidentally, school teachers are making a huge amount of money by loaning because a couple who are principals of two different schools, they earn 30,000 rupees between them. In a village, they can live very comfortably in Rs. 5,000. What do you do with Rs. 25,000? You invest in money lending. But that is another story, another conversation.

So where are these Rs. 10 crore, Rs. 25 crore-loan taking farmers to whom the bulk of agricultural credit is going? Of course, it could be that Mr. Amitabh Bachchan has finally convinced the UP government that he is a farmer. He has been fighting for that status for the last four years and maybe he has pulled it off. Then there is the current budget, which gives full exemption from customs duty for refrigeration units required for the manufacture of refrigerated vans and trucks. So the people who manufacture vans and trucks can now get exemptions under the head of agriculture.

No definition is as tortured as the definition of agricultural credit. First, let me tell you the story of Gosavi Pawar. No relation of the great man, but a *chota sa* Pawar, Gosavi *Pawar* was the head of the nomadic Banjara clan, and known as the Bada Pitaji. This meant that every girl in the clan was his daughter and his responsibility even if he had never seen her. Now he had to conduct his agriculture for the season and three weddings because the clan had gathered from four states: Rajasthan, Gujarat, Maharashtra and Karnataka. They planned to conduct cheap, mass weddings to control the cost. Gosavi Pawar had just acquired Rs. 65,000 to cultivate his six acres of cotton. Despite the government having told the bank to go slow on recoveries as people are in a crisis, the bank told Gosavi Pawar it will give him Rs. 65,000 rupees if he pays up fully every paisa of the 50,000 rupees he owed the bank. A transaction then took place, believe it or not, with Gosavi Pawar, the bank manager and the money lender sitting at the same place. The money lender gave the money to Gosavi Pawar, who gave the money to the bank who gave him his Rs. 65,000 after taking away Rs. 50,000. This left Gosavi with Rs. 15,000 and the rate of interest I can't calculate because he gave the moneylender Rs. 2,500 for that ten-second transaction. Since he had to still look after the weddings and since he was unable to get credit from the merchants for the saris of the girls, Gosavi Pawar took his life that night.

Then came one of the most inspiring things – also one of the most depressing things in my life. Inspiring, because some of the poorest people queued up in that village and gave half a kilo of rice, some old utensils, as they conducted those weddings Gosavi Pawar had pledged to do. They conducted them even when the bride and bridegroom did not want to have those weddings. Pawar's niece, who was very attached to her Bada Pitaji, said I won't have the wedding but they made her, saying, look, your family will also be bankrupted if they have to go back without the wedding. So that day, the house of Gosavi Pawar witnessed three weddings and a funeral.

Stories of such tragedies count in millions. Contrast them with all those wonderful figures you see about 'rural: resurgence', more cars being sold in the countryside, and so on. Can I tell you something? If you buy an SUV in Chanakyapuri, please read your bill carefully. It might say stock 'Ex-Amravati' because it is being shown as a rural sale so that the company financing the sale of the car can collect rural interest rates on it. Several sales that are actually urban are being classified as rural to make that money on the sly.

Yet while we cut food subsidy to the poor, we gave subsidies to four of the richest men in the world for IPL: Vijay Mallya, Mukesh Ambani, DLF's K.P. Singh and G.M. Rao of Deccan Chargers. There is always money for the deserving rich. India is fifth in the Forbes list of billionaires but ranked 134, that is, two slots below Bhutan and one slot below Laos, in the latest Human Development Report of the UNDP. We have more billionaires than all of Scandinavia put together. We have more billionaires than Japan and Australia. We have just not been able to sort out Russia yet but there is a big difference between being a billionaire in Russia and being one in India. In Russia, the billionaire after ten years goes to prison for 15, the billionaire after ten years in India goes to Parliament. So we have that aura of moral superiority and democratic lineage as

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opposed to them. In the same country that has 49 dollar billionaires, the first page of the National Commission for the Enterprises in the Unorganized Sector Report prepared by Dr. Arjun Sengupta, Yugandhar and others, tells us that 836 million Indians live on less than Rs. 20 a day, 237 million of them live on less than Rs. 12 a day. But 836 million people living on less than 50 cents a day does not mean they are poor. In our classification, they are not poor. To qualify for that nomenclature you have to live on less than Rs. 11 a day.

Four of the world's ten richest men are Indians and one of those four people is building the most unique residence

I was, for my sins, on the government's Below Poverty Line (BPL) expert group. Before the process started, the Planning Commission was already telling us they knew there would be divergent estimates but we were to ensure that the state estimates do not exceed the Planning Commission's estimates by more than 20 per cent. So, before we had done any study, they were already telling us what the figures should not look like.

Four of the world's ten richest men are Indians and one of those four people is building the most unique residence. It is on Mumbai's posh Altamont Road, where real estate is about the same or slightly costlier than Manhattan. The house has 27 floors but it is the height of 60 floors. It has got only three helipads so far and its worth is estimated anywhere between $1 and 2 billion. With this amount you could accomplish almost the entire Dharavi re-development plan and also possibly help a significant part of Bombay's slum and street community as well. *The Times of India*, which was the other great source of wealth, which I refer to faithfully, did a survey of India's ten richest men and found that they were earning between $ 350,000 and $ 700,000 a minute in a particular month or three months in 2007. At the other end of our national flagship, the maximum one can earn is Rs. 100 in NREGA. These gaps are unconscionable and no society can sustain such inequality. Salaries for CEOs have gone to the very top while ILO data shows us that up to 2005-06, while labour productivity shot up 84 per cent, real wages of labour in manufacturing went down 22 per cent. Productivity went up because of huge retrenchment and getting fewer people to do more jobs.

Let us come to the conclusion of this. Are there ways and means by which we can do something to halt the flood? Yes, there are. The National Farmers' Commission has produced massive tomes with several recommendations which, if implemented, would make a significant impact. They would not solve the crisis but bring some mitigation for a sizeable number of people. The National Farmers' Commission was appointed by the Government of India and led by Dr. M.S. Swaminathan. Yet not a single word of those reports has been taken seriously or ever taken on board in policy.

Two, the government of Maharashtra and several other governments are flouting court orders on what has happened in the matter of farmers's suicides. The Maharashtra Government was forced to put the suicide figures on its website because the Nagpur bench of the Mumbai High Court ordered them to do so. However, they don't update it so that the figures from January this year have disappeared. Why did the figures disappear? Because three ministers in Parliament Assembly were contradicting each other. Mr. Pawar stated that only 6 people have died in Vidarbha since January. A week later, his junior minister raised this figure to 23 and the Chief Minister made that 343. The NCRB, on the other hand, puts the figure in thousands.

Third, regardless of the fact that there are some things you can't solve without a total transformation of society it is also true that you can at least mitigate the flow of blood. The kisan unions have put forward a number of suggestions which the governments are not willing to carry out because inclusive growth does not include them. If something happened at all in Maharashtra, it is because the Prime Minister came there in 2006 and two huge projects – the Prime Minister's relief project and the Chief Minister's relief project were launched. These, however, have been torn to shreds by the Comptroller and Auditor General who has looked at it.

There are several other ways in which we can actually turn things around substantially, even if we cannot solve them. The question is how do we deal with this situation? Can we do it by solving it within agriculture? Absolutely not, because it is simply not possible. But how do we deal with the situation where 500,000 crores of write offs are given in the budget for the richest 0.01 per cent of the population even as farm prices go down? MSPs go up reluctantly under huge pressure and not anywhere near enough a realistic figure, and the networks of procurement are in complete disarray. How then do we deal with this problem? That is why I would say, it is important to understand that the farm suicides are not the farm crisis. They are its outcome, not its origin. They are the consequence and not its cause. I believe that this can be turned around.

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