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- Ashish Kumar

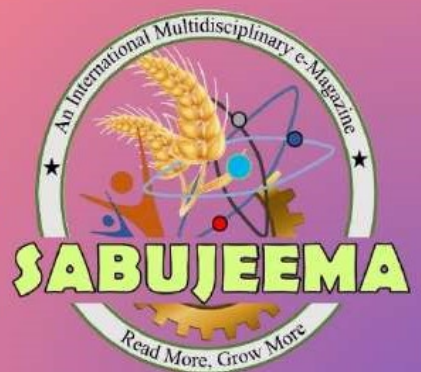
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# POLITICAL ECONOMY OF AGRARIAN DISTRESS IN INDIA

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## INTRODUCTION

**H**ave you ever thought about the Indian agriculture sector? What are the major challenges in agriculture? Why farmers are poor? What are the main problems of farmers? Why in India agriculture sector still give large number of disguised unemployment? Did any political representative intervene in agriculture to overcome the farmer's problem? Agriculture was major source of national income and employment. In rural areas the agriculture depend on size of land holding, land use pattern but over a period of time due to excess pressure on land results land degradation. The history of agriculture always talk about to generate revenue and Britishers use to do same. With the passage of time there is tremendous increase in population due to which different types of issue occurs in agriculture sector and consequence of it directly or indirectly suffered by the poor farmers and no politician or political

organization even discuss to sort out the problems.

Most of the political parties accepted that the Indian agriculture sectors passing through the critical situation. The **suicide wave after 1997-98 is considered a tragic expression** of the worsening situation of farmers. By giving the example of “**serial suicides**” **Bharatiya Janata Party (BJP)** in **1998** election told, in last five decades the conditions of farmer deteriorate in their own country and they do not have much importance in the government schemes of things and today they are on the boundary of social, political, economical life in India. According to **National Agricultural Policy of Ministry of Agriculture, government of India (2000)** told that “**Agriculture in general has become a relatively dysfunctional occupation due to its unfavorable price regime and low added value which halted agriculture and increased migration from rural areas**” (p.1523). It has negative effects on the agricultural trade at global level. The **Chairman of National Commission of farmers M S Swaminathan** told “**something in country is terribly wrong**”. In 2003 survey conducted by the **National Sample Survey Organizations (NSSO)** identified some of the problems of farmer that half of the farmers are in debt because agricultural spending, increase income gaps between rural and urban household and cultivators and non-cultivators, monthly expenditure on per capita consumption is about three-fourth of farmers was less than rupees 615. In other official statistics showed that agricultural growth has showed over the past fifteen years, no incensement of employment opportunities in agriculture, margin and small holdings share increased, agriculture's share in GDP decreased but the





proportion of people reliant on agriculture remained relatively stable.

### CHANGES IN AGRARIAN POLITICAL ECONOMY

British rule is responsible for change in the condition of agriculture in India. The introduction of certain **right to private property on land, increased market-oriented production, improved irrigation and transformation facilities, unstable capital growth and cash flow to land** have brought about a wide range of changes. The agricultural structure and agricultural condition of the Indian state sometimes favorable and sometime depressing for farmers. With this process some of the peasants were benefitted because of high productivity, improved irrigation facilities, high monetary return and at the same time some peasants suffered with some challenges due to extraction of surplus from agriculture like paying land revenue, indebtedness, price mechanism etc. and while crop yield fails and market price fall then farmer suffered greatly, on one hand it was a new boom and on the other hand it was repression of zamindars and British government and this depression in agriculture leads farmer to join national struggle and the objective of their movement and campaign was to provide great share in agriculture surplus and even **the great depression of 1930s** has the same characteristics.

After the independence Indian agricultural system evolved into **three phase such as between 1950 and 1960 consist with cessation of freedom struggle, the green revolution and the rise of political populism between 1970s and 1980s and liberalization and deterioration of the peasant situation in 1990s** (Suri, 2006).

Immediately after Independence, **the congress party came into power** and presented certain policies in favor of farmer such are **abolition of intermediaries, tenancy reforms, reducing land revenue, providing irrigation facilities** and significant part of political power of the agricultural community at the state level. This will put positive impact on the import substitution, industrial development and serving the market for the manufacturing sectors. This policies aim was not only improve the life of farmer but also to transfer of the agricultural surplus for the development of industries.

The **first two decades** after independence focused on agricultural production but after the **implementation of green revolution** farmers started taking modern methods of cultivation that are High Yield Variety (HYV) seeds, technology, credits, irrigation water, pesticides etc. to increase the agricultural production but it has adverse effect on farmers like agriculture became self-employed cash based enterprise that requires large investment in modern input and wage labor, more credit is required for ploughing. As a result, the demand for loan has increased several times over the previous period, lack of remunerative price, crop failure due to natural and man-made factor that destroy the farmer economy and that have caused considerable concern for farmers.

**In the late 1960s**, the congress party and their practice gone through a significant change and at the central level party were struggling for power. **Indira Gandhi's group** who took popular steps to cover up the party's rivals and won the battle. Later, a second level reform specifically the law on the land ceiling was added to political agenda



to benefits the elections by easing communist rule and supporting landless and socially backward section. **The central congress leadership of parliament saw this as a way to weaken the dominance of the leaders of the agricultural society at the state level.** Although the amount of land redistributed as a result of land reform may have been small, this policy brought about major change in social relations and perception of class. Along with the decline of the traditional state structure, the village's traditional power structure has deteriorated without a new coordinated democratic institution in place. Land is no longer an attraction, a substitute for investment or a source of social status. Now most of the farmer gets disinterested in farming. They were **shifting towards new opportunities in industries, business, education and employment** and the family who left village for better employment opportunities gets better income than family in village.

**Liberalization policy aggravated the agricultural problems. Unlike the developed nation like US and Europe,** in developing countries, by removing the state support to agriculture, ease import restriction has declined the status of agriculture. The developed countries can use **the tariff system WTO terminology, anti-dumping laws, destruction of the agricultural economy in developing countries by dumping food in the name of relief or by dumping other agricultural products on the market of developing countries with high subsidies for farmer,** the developing countries can do very little to counter this attack. Farmers are clearly loses in the development process achieved through globalization and free trade policies based on comparative advantage. In country like India it is impossible to implement same growth

model as are in western countries due to historical, political and economical reasons. In western countries agriculture production declined due to rapid industrialization and farmer find the employment opportunities in industry or in urban areas but it's not same for India because two-third of people stay in rural areas and their share in national income is less than 25%. The rate of economic growth is largely based on services; an industrial development in developing countries is distorted and delayed by western nation consumer market dominance or by non-economic means to extract surplus form developing countries. It is of little importance to this agriculture. Moreover India has no absolute state or subordinate foreign market advantage. Thus, **Indian agriculture cannot initiate the "Prussian Path" or "American Path".**

In post reform period the **agricultural output declined** to 2.4% in 1990s from 3.5% in 1980s and in 2004-05 it was 1.5%. Moreover the public investment in agriculture also declined. As the tariff decreased the import have increased in 1996-97 it was 270% by volume and in 2003-04 it increased to 300% by volume (Suri, 2006). This leads to pressure on India farmer because of high cost of seeds and pesticides of foreign enterprises and cheap import of western countries with large subsidies and the indifference and rejection of the state's refusal to support.

In India, farmer should change the cropping pattern because a single cropping pattern cannot improve the economic outlook of farmers. Farmer needs to diversify their products and covert them to **high quality non-edible crops such as flowers and fruits.** Farmer says farming has become a game because they aren't sure if they will



have a good crop or not and having a good crop pays a good price. **Only lenders, institution, money lenders, financiers and traders of fertilizers, pesticides and seeds gets benefitted from increase farmer debt due to which farmer became marginalized.** The story of suicide farmer has same kind of story. So government provided **institutional facilities which provide credit to farmer at low interest rate, crop insurance facilities, Minimum Support Price (MSP) for multiple crops** but it didn't work properly due to which farmer commit suicide because of not able to pay loans. Agricultural is less profitable and it is becoming difficult for farmer to meet the needs of their families. The loss of status, income insecurity, intolerable debt, unmet needs etc are the cause of the deteriorating financial situation leaves farmers in despair.

### CHANGING NATURE OF POLITICS

**Mahatma Gandhi** played significant role by **transforming the congress party from urban-based upper caste professionals to mass party which support peasants.** From the beginning, the communists believed that the social revolution in India would occur around the axis of agriculture. Thus, **congress, communist and radical socialist movement** that moved peasants to the agrarian society of zamindars and British, especially in the regions that had been dominated after the 1930s. This was a period when peasant societies united to form caste unions, conferences and marriage unions and other forms of collective choice in the region. They launched a peasant movement for land rights, a decline in land revenue and a debt moratorium. The peasant organization was started under the auspices of the congress, but the **movement was initiated by**

**Sahajananda Saraswati and Indulal Yagnik or N G Ranga.** The communist has brought **militancy and anti-feudal ideology** to the peasant struggle. There are different classes of people, but Congress and the Communist Party have tried to move the people in the anti-colonial struggle under **the slogan of peasant unity.** Economic development and pedagogy, participation in the struggle for freedom, put members of the farmer communities in an important position in the field of politics. Such as at state level, there are **institutions and authorities that are politically controlled at the local level, such as cooperatives, samitis, panchayat, and build close ties with the bureaucracy.** Some researchers and commentators on **farmer suicide now believe that the seeds of agricultural distress were sown during the green revolution.** Farmers benefited from increased productivity in the first few years after the green revolution strategy began, but soon began to suffer. This is why we witnessed intermittent peasant uprisings at remunerative prices from independent peasant groups and leaders or parties in the 1980s. However, these protest campaigns soon ended. This was probably the last wave of the Indian peasant movement.

The **new power structures that emerged in the 1950s and 1960s and land reform and green revolution in the 1970s,** and the peasant movement's pressure on the government began to disappear. The congress party has already lost interest in the slogan for the unity of peasants. By the end of the pre-independence peasant movement, there was a change in the political disposition of the peasant's landlord to the ruling party. The demands of peasants were not fulfilled. The priorities of political leaders have changed since the 1970s. **Jai Kisan's time ended with Lal Bahadur Shastri.** The





Congress, led by Indira Gandhi, has adopted another strategy to mobilize election support from Dalits and minorities in the leagues with the highest social hierarchy.

Political leaders at the state and local levels have shown different interests over the years. **Industries or companies (e.g. hotels, transportation, distilleries, agricultural products processing plants such as cotton, sugar, oil and tobacco seeds), contracts and public works, real estate in urban areas, agricultural products handling or government work assignments** have become dominant source of wealth. The top leaders can accompany farmers at public events, carry **farmer's hats at party meetings, and ride bullock cart or tractor** during election campaigns, but agriculture is not their primary source of income as farmers. Now, Farmers are divided into castes, factions, and parties that overlap in many ways. This has led a new generation of political leaders to take for granted farmers' support for elections.

For contesting the election political parties **need huge funds** to spend on campaigns, cash distribution to voters etc. They are mainly dependent **on traders, business classes, contractors, financiers, professional and fixers** for fund and they influences the government policies and politics. They are the important elements for controlling and running the government. So, politically and electorally farmers are increasingly marginalized and contesting the election for them is very much expensive and they even couldn't think of it. Over the years it has been seen that the **power of the party is concentrated in the hands of the supreme party leader**. The leader's point of view becomes party politics. Party control over legislators and active political control of

the legislature have increased significantly, and popular charismatic leaders have full control over government policy. Strong interests can relatively easily influence the leadership of a party or political executive.

The interests of farmers are not so important because of the national-controlled elite. **Agriculture and irrigation are state-owned businesses**, but even if someone wants, there's not much that state leaders can do. The state government does not have enough resources to spend on agriculture. **Import and export policies and trade tariffs are in the hands of the union government**, where voice of peasant won't reach. Industry leaders and representatives of large corporations dominate the center, and after the reform it has become clearer. While the **liberalization discourse has hurt agriculture** and has been on a downtrend, the public environment has forced decision makers at the national level to increasingly focus on foreign companies or capital. The autonomous **scope for policy-making by the trade union governments** is likely to have declined due to the changing international economic scenarios, along with political priorities and solutions being developed by global financial institutions. **One of the criticisms of the successive trade union governments is the failure to take timely steps to adjust tariffs** to reverse pre-import prices or higher input prices such as seeds and pesticides due to the emergence of multinational companies.

Due to the high number of suicides by farmers, the **NDA government recently raised agriculture and related issues to the one of its five Priorities**. The Indian National Congress included the **Grameen Vikas in its declaration in 2004 election, improving the income and well-being of**

**the Kisan to one of the top six governances.**

After the Congressional defeat in the 2004 elections, the **UPA Government, Prime Minister, Union agriculture Minister**, in particular focused on the agricultural development by changing government policies, increasing public investment and in different states government provides relief package to farmer suicide victims. The political administration's willingness to use **tariffs to support** Indian farmers in the global marketplace, as a mechanism to secure favorable prices for agricultural products, a change in economic development strategies that have so far downgraded agriculture and reduced employment outside of agriculture. The increase in corruption should be limited, the accumulation of illegal wealth by the political class and the end of the gap in the interests of the people and their representatives.

**In conclusion**, agriculture was a major source of national income and employment opportunities in India. Agriculture and allied activities provided nearly 50% of India's national income. About 72% of the total workforce was engaged in agriculture.

It is major source of livelihoods in rural areas and during the colonial rule and India's post-independence period the condition of agriculture has been deteriorate which leads to agriculture distress. The cause of the agricultural distress in India is the combination of a changing nature of agriculture and democratic policy. Agriculture has become an unrewarding occupation, wealth inequality between rural and urban areas has increased, farmers have failed to unite and put pressure on the government and the disparity of interests between farmers and political representatives is both a decline in agriculture and farmer conditions.

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