

An Economic Analysis of Plight of Farmers Suicide in India

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Abstract

India is an agrarian country with around 60% of its population depends directly or indirectly upon agriculture. Farmer suicides account for 11.2% of all the suicides in India. Farmer suicide in India is the intentional ending of one's life by a person dependent on farming as their primary source of livelihood. There are number of reasons for farmer suicides, such as monsoon failure, high debt burdens, genetically modified crops, government policies, public mental health, personal issues and family problems. There is also accusation of states fudging the data on farmer suicides. In 2012, the National Crime Records Bureau of India reported 13,754 farmer suicides. The highest number of farmer suicides was recorded in 2004 when 18,241 farmers committed suicide. In this context, the actual problems being faced are to be understood and analysed. Innovative remedies have to be thought of which are to be implemented with sincerity by the Government and the implementing agencies, along with putting in place ways to rehabilitate the affected farmers. An attempt has been made in this article to address the issue of farmers plight leading to suicide and measures to address the issue have been suggested.

Keywords — Farmer suicides, National Crime Records Bureau of India, High debt burdens, monsoon failures.

I. INTRODUCTION

Over three lakh farmers have committed suicide in India since 1995. A majority of them were concentrated in five major agricultural States of the country – Maharashtra, Madhya Pradesh, Andhra Pradesh, Karnataka and Chhattisgarh. Even Punjab recorded a high number of 449 farmer suicides in 2015, next only to Maharashtra. Farm suicides have been steadily increasing over the years. On an average, around 15,400 farmers ended their lives each year between 1995 and 2003. This number increased to more than 16,000 between 2004 and 2012.

There is no doubt that our agrarian community is facing a crisis at an alarming rate but questions arise on the exact nature and reasons behind the deepening problem. Farmer suicides have largely been attributed to rising debt, natural factor like droughts, crop failure or poor returns. However, farmers have been taking the drastic step regardless

of a good rainfall also or even when they are being offered good prices and hence the question arises why?

“Farmers’ suicides have to be viewed as a “National Disaster”, the statement of the Ex-Prime Minister of India Dr. Manmohan Singh, himself a distinguished economist opens our eyes to the agrarian crisis that haunts the country today. Tens of thousands of farmers in different states of India have committed suicide. These suicides can no more be considered isolated cases of farmer’s deaths but they represent deepening crisis witnessed by Indian agriculture. There is a debate regarding causes and number of deaths of farmers in the country. In the initial period of late 1990’s when there were few incidents of suicides across the country there was general indifference and apathy towards these incidents but since early 2000 and onwards; the number of farmers’ death cases started rising very fast in the states of Andhra Pradesh, Karnataka, Kerala, Maharashtra and Punjab and it was high time when the Government started feeling the pinch of growing public wrath.

II. LITERATURE REVIEW

- Stating about farmers indebtedness, Vandana Shiva (2009) points out that in 1998, the World Bank’s structural adjustment policies forced India to open up its seed sector to global corporation. Farm saved seeds were replaced by corporate seeds. The poor peasants have to buy new seeds for every planting season and what was a traditionally a free resource, available by putting aside a small portion of the crop, becomes a commodity. This new expense increases poverty and leads to indebtedness.
- Vaidyanathan, A (2006) highlights that “farmers suicides are associated with high level of indebtedness is majorly and even in some cases, they have been seen as indicative of the Indian peasantry in general suffering from unbearable burden of debt and teetering on the verge of bankruptcy”
- Aruna Burte, Sangeeta Rege and Padma Deosthali (2008) opines that the farmers are unable to cope up with the sudden changes in cropping patterns, market fluctuations and rising use of pesticides to increase the yield which all are expensive ventures. These are direct results of agricultural policy driven by market forces. When the crops fail, they are in debt and they have no means to repay. They are unable to fulfil

the role of bread earner for the family. All these factors are to be taken in to consideration while understanding the reasons of an individual farmer committing suicide.

- Pochepparadjou (1992) found that the cost of credit is more in the case of moneylender than the commercial banks because of exorbitant rate of interest charged by him. Farmers were happier with the commercial bank credit even though the non-interest cost was more but they have limited access to it.

A. *Farmer's Suicides – Glaring Facts*

- The list includes farmers-cultivators and agricultural labourers.
- Seven States account for 87.5% of total suicides in the farming sector in the country. The States are Maharashtra, Karnataka, Telangana, Madhya Pradesh, Chhatisgarh, Andhra Pradesh and Tamil Nadu.
- Both marginal farmers and small farmers are committing suicides.
- Maharashtra is the worst affected state.
- Ironically, Punjab, which benefited most from the 'Green Revolution' and is also known as 'Food Basket of India' also presents a sorry picture of farmers' suicide. Between 1995-2015, 4687 farmers' suicides have been reported from the state of Punjab of which 1334 are from Mansa district only.

B. *Reasons behind Farmers' Suicides in India*

There are many reasons discussed by the scholars which lead to farmers suicide such as failure of monsoons, climate change, heavy burden of debts, government policies, mental health, family and personal issues. The following is the detailed analysis of all of these factors:

- The increase in input costs : A major cause of the farmers' suicides in India has been the increasing burden on the farmers due to ever inflated prices of agricultural inputs. The addition of these factors is seen in the overall increase in the cost of cultivation.
- Cost of chemical fertilizers and seeds: The cost of fertilizers, crop protection chemicals and the seeds for cultivation has risen and hence farming has become expensive for the already indebted farmers.
- Cost of Agricultural equipment : The input costs, moreover, aren't limited to the basic raw materials. Using agricultural equipment and machinery like tractors, submersible pumps thrashes etc. adds to the already surging costs. Besides, these secondary inputs have become less affordable for the small and marginal farmers.
- Labour costs: Hiring labourers and animals for agriculture has also been becoming costlier too. While this may reflect an improvement in the socio-economic status of the labourers, driven primarily by Mahatma Gandhi National Rural

Employment Guarantee Act, 2005 (MGNREGA) and hike in minimum basic income, this has not gone too well with boosting the agriculture sector.

C. *Distressed Due to Loans*

- (i) National Crime Report Bureau (NCRB) data points out that in 2474 suicides out of the studied 3000 farmer suicides in 2015 the victims had unpaid loans from the local banks. This is clearly an indication of a correlation between the two. Whether or not the banks had been harassing them, however, is a long-drawn debate and needs more specific empirical evidence.
 - (ii) Moreover, a shift away from usual trend also revealed that of the loans taken by these farmers, only 9.8 per cent loans from money-lenders. Thus the pressure or muscle-power of money-lender could be far from being a major driving force, as is other wise perceived.
 - (iii) Another source of strong linkages between farmer suicides and indebtedness is reflected from the spread of the two. While Maharashtra had 1293 suicides for indebtedness. Karnataka had 946. Both these states saw one of the highest incidences of farmer suicides as well as indebtedness.
- Lack of direct integration with the market – Although steps taken by government like the National Agricultural Market and contract farming are helpful in integrating the farmers' produce directly with the market and hence cutting the role of intermediaries, the reality is still lagging behind far from reality.
 - Lack of awareness : The digital divide, as well as the literacy gap, has made the marginal and small farmers particularly vulnerable due to their inability to utilize the positives of government policies. This is reflected in the continued unsustainable cropping practices – like cultivating sugarcane in water-deficit regions.
 - Water crisis: The concentration of these suicides in the water-deficit regions of states like Maharashtra, Karnataka is a manifestation of the fact that how the water crisis and there by the failure of rain to meet production demands have intensified the menace. This is particularly true in the backdrop of continued failed monsoons.
 - Interstate water disputes : The prevalent crisis of the unwillingness of the state to cater to each other's water needs is adding to the problem. The case of dispute of Kaveri river that saw Karnataka and Tamil Nadu battle out water shortage both in and outside the tribunal even to the extent of non-compliance with the tribunal award.
 - Climate change : It has acted as the last nail in the coffin by resulting in furthering of the uncertainties associated with the already uncertain monsoon system and hence agricultural production. While incidents like flash floods

have led to crop losses, deferred monsoons have seen production shortfall year-in and year-out.

D. How have Agrarian Policies contributed towards the plight ?

- Post liberalisation, cutbacks in agricultural subsidies combined with the necessity to meet the international standards of quality increased the cost of inputs. There was been rising a demand for cash crops like cotton in the global market. Hence, a considerable part of the sector has witnessed a government encouraged shift from foodgrains to cash for cultivation. However, due to an excess of such products in the market, prices fell making cash crops uneconomical. This was the last 1990's – the time from when farmer suicides had began to be recorded on a larger scale. Production costs have steadily risen in the years since but the market prices have not seen a corresponding increase.
- Furthermore, public investment in agriculture gradually reduced a move that has resulted in the lack of uniform modernization, irrigation facilities, communications and information systems and storage facilities. Credit supply to farmers had diminished at the same time, forcing them to rely on moneylenders. Private companies and state-run Regional Rural Banks (RRBs) reject many applicants due to the lack of collateral or land titles.
- The agricultural market structure has also played a major role in denying farmers their actual returns. The Agriculture Produce and Market Committee (APMC) act was introduced to ensure fair prices to farmers but corrupt middlemen have taken advantages of the provisions in the act to exert their influence on the supply chain. They exploit farmers by buying produce at far lower prices than deserved.
- The coverage of crop insurance schemes is very limited. Not only the area covered under the National Agricultural Insurance Scheme (NAIS), even the amount offered to farmers is dismal. The impact of the new Pradhan Mantri Fasal Bima Yojana (PMFBY) on protecting them in case of crop failure is yet to be seen.
- Farmers have been cultivating on smaller and smaller pieces of lands with depleting soil quality and falling groundwater levels. Farming will become completely unviable if there are no checks on environmental effects. Farmers do not have many job options to fall back on when cultivation fails. The Mahatma Gandhi Rural Employment Guarantee (MNREGA) Act has not done much to ensure job to the rural population.

III. CONCLUSIONS

- Governments have focused more on the control rather than prevention. It will take more than short-term measures and disproportionately implemented programmes to sail through the

crisis. The wave of farmer suicides that has hit country last year could have been avoided if there was a proper irrigation system, whether forecast information, competent crop insurance and buffer stocks in cold storage facilities to distribute to the families in their time of need.

- A concrete reorientation of policy is crucial to stopping this depressing trends. Farmers in the country are in desperate need for help, but taking their lives is not the solution.
- There is a need to thinkers views on farmers suicides in India to arrive at accurate estimates of economic stress which lead to suicides among the farmer and agricultural labourers. This task cannot be performed by an individual or a research institution alone. This would require support and sponsorship of the government. The government can appoint an expert group to make estimates and analyse the causes and suggest remedial measures to prevent this unfortunate phenomenon.
- At the same time immediate steps are required for rehabilitation to families of poor peasants and agricultural labourers who have lost their earning members and are facing a destitute situation. This would require immediate compensations to the family as support to family.
- Heavy indebtedness is identified as the prime cause for the spate of farmer's suicides. Agricultural credit as is traditionally called backbone of agriculture, is not a problem in itself. Infact, the growing indebtedness beyond the material capacity of the farmers threatens his survival. Survival is threatened because of two factors namely the psychological factor of being insulted in the society if the debt is not paid off and secondly and more important of being dispossessed of his only means of survival i.e. land. Farmer has to be rescued from this situation. Therefore, agricultural credit system should be strong enough to protect the farmer.

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