



SYMPOSIUM

A Betrayal by Governments

Hannan Mollah* and Vijoo Krishnan[†]

INTRODUCTION

A decade after the introduction in 1991 of neo-liberal policies in an intensive way, India came to experience an unending agrarian crisis and sharp rural distress. Even as the BJP-led National Democratic Alliance (NDA) was conducting its high-pitch “India Shining” campaign, farmers were committing suicide in large numbers. Agriculture became unviable, agricultural incomes fell, and indebtedness rose. It was in such a context that the BJP was defeated and the Congress-led United Progressive Alliance (UPA) Government supported by the Left Parties came to power in 2004. It is natural that farmers’ welfare was of central importance at that time.

The UPA Government reconstituted the National Commission on Farmers (NCF) on November 18, 2004, under the Chairmanship of the renowned agricultural scientist M. S. Swaminathan. The appointment of the Commission was to help “enhance the welfare and well-being of farmers, farm labour and workers, in keeping with the commitment under the National Common Minimum Programme on a ‘New Deal for Rural India.’”

The NCF meticulously examined the causes of agrarian distress and the rise in farmers’ suicides and, by October 4, 2006, published five Reports that, taken together, constitute a holistic National Policy for Farmers. The Reports suggested measures that would bring about a positive transition in the lives of farmers and the rural poor and called for “faster and more inclusive” growth.

The mandate of the Commission was to make recommendations regarding the following:

1. Ensuring food and nutrition security for all.
2. Enhancing the productivity and profitability of agriculture in a sustainable manner.

* General Secretary, All India Kisan Sabha

[†] Joint Secretary, All India Kisan Sabha

3. Addressing specific problems of farmers in arid and semi-arid regions as well as hilly and coastal areas.
4. Substantially increasing the flow of credit at affordable interest rates to all farmers.
5. Protecting farmers from imports and price volatility caused by linking the domestic with the international market.
6. Enhancing the quality of farm commodities and making them globally competitive.
7. Effectively conserving and improving the ecological foundations of sustainable agriculture.

The NCF examined the agrarian crisis in the country and identified the main reasons for the crisis and the factors that were leading farmers to commit suicide in large numbers. The NCF came to the conclusion that the major causes for the agrarian crisis include: the fact that the task of land reform is unfinished, the erratic availability of water in terms of quantity and quality, the lack of technological advance and production-enhancing agronomic practices, the absence of access of farmers to timely, adequate as well as cheap institutional credit, and the absence of assured remunerative prices accompanied by facilities for procurement and proper marketing. In a country like ours, farmers and agriculture depend greatly on climatic factors, and adversities in this regard in the form of droughts and floods add to the problems mentioned above. The NCF identified access and control over basic resources, including land, water, bio-resources, credit, insurance, and technology for processing, in addition to value-addition and access to markets, as being crucial requirements for a turnaround.

It is a decade after one of the most renowned agricultural scientists of this generation made his recommendations, and it is relevant to make a critical review of the status of the implementation of these far-reaching recommendations. What has happened in reality? Have governments done justice to farmers in India and to the commitment shown by Professor Swaminathan to transforming Indian agriculture and Indian farmers' lives?

EMPHASIS ON LAND REFORMS VS THE RULING CLASS APPROACH

The NCF made a comprehensive set of recommendations seeking to address the different problems faced by agriculture and the farming community as well as by the rural poor. Land reforms were an important area in which the NCF made recommendations. It noted the sharp inequalities in the distribution of land holdings and the concentration of land in a few hands. It was clear that there was an urgent need to distribute ceiling surplus and waste land and to prevent the diversion of prime agricultural land and forest to non-agricultural uses.

Despite the recommendations of the NCF, no ceiling surplus land has been taken over and distributed in the last decade. Even waste land has not been given to the landless. To take one glaring example, the recommendations of the D. Bandyopadhyaya Commission in Bihar, which made concrete suggestions in this regard, was totally ignored by the Government. In Karnataka alone there are over 2,600,000 farmers known as *bagair hukum* cultivators who are cultivating Government surplus land. There are millions of such cultivators across the country. There is no effort to regularise their status as landowners and issue them title deeds. Fertile multi-cropped land has been given for non-agricultural purposes – purposes that include the establishment of Special Economic Zones, the construction of industries and expressways, and real estate speculation. Thousands of acres of land acquired indiscriminately for such purposes remain unutilised. Corporate houses have grabbed land with government help in various parts of the country, mainly in Gujarat, Odisha, Maharashtra, Andhra Pradesh, and Tamil Nadu. According to estimates, the potential area that could be acquired for the Delhi-Mumbai Industrial Corridor and related infrastructure as well as different smart cities could be more than three times the size of Great Britain. If such large tracts of productive cultivable land are actually acquired and diverted from agriculture, the consequence could well be a situation similar to conditions in the early years of Independence – days of food insecurity, malnutrition, starvation, and perpetual dependence on others for food.

The NCF also argued for forest rights for tribal people, grazing rights for pastoralists, and access to common property resources. However, while on the one hand the UPA Government was forced by people's movements to enact the Forest Rights Act to give rights to tribal people and traditional forest dwellers, on the other hand, different Governments have facilitated the loot of minerals and resources from tribal land and forests.¹ Forest land was given to corporates in Odisha, Madhya Pradesh, Chhattisgarh, and Jharkhand. The Forest Rights Act has not been implemented in most States and thousands of applications by tribal people for land under the Forest Rights Act have been rejected. The exception is Tripura, where the Left Front government has distributed more pattas under the Act than has any other State government. The recommendation of the Commission that community land and grazing land be restored to farmers has not been implemented.

The National Land Use Advisory Service suggested by the NCF would have gone a long way in linking land use decisions with food security, social, and ecological concerns. Unfortunately, even in the Land Acquisition Act of 2013 there has been no inclusion of this constructive suggestion: the Congress-led United Progressive Alliance (UPA) and the National Democratic Alliance (NDA) led by the Bharatiya Janata Party summarily dismissed the position taken by the Left Parties and Kisan Sabha in favour of the recommendation. Here we would like to acknowledge the unstinted

¹ The full title of the Forest Rights Act is the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006.

support of Professor Swaminathan to demands to strengthen food security and livelihood security in the context of the debates on the Land Acquisition Act of 2013.

After a long battle by peasant organisations, the colonial-era Land Acquisition Act of 1894 was changed and a new Land Acquisition Act was passed in 2013, eight years after the Commission recommended a proper mechanism to regulate the sale of agricultural land. Though all the issues raised by the NCF were not addressed to our satisfaction, some important demands were incorporated in it. The Left Parties and Kisan Sabha made efforts to strengthen the provisions on food security, livelihood security, scientific land use planning, and so on, but the Government and the main opposition diluted such provisions.

Even before the implementation of the 2013 Act, the UPA government was defeated and the Modi-led NDA Government came to power. From Day One, the Modi Government has been determined to snatch whatever small rights were given to farmers under the Act and to pave the way for the easy transfer of farmers' land to big corporate houses. With this objective the Government promulgated the Land Acquisition Ordinance. The outcome of the Ordinance would have been to take a major chunk of agricultural land and convert it to non-agricultural purposes and transfer it to non-agricultural owners. This angered the entire farming community. The All India Kisan Sabha took the lead in organising the peasantry and defeating this policy of the Government led by Narendra Modi. Issue-based unity – involving all peasant organisations, agricultural workers' organisations, Adivasis, Dalits, social movements – was built and mass mobilisation and protests were held all over the country. A joint platform called the Bhoomi Adhikar Andolan (Land Rights Movement) emerged, copies of the Ordinance were publicly burnt in more than 300 districts, a massive signature campaign was conducted, and the Kisan Sabha worked with political parties as well as the concerned Parliamentary Committee in this regard. Protests in States and also before Parliament forced the Government to withdraw the anti-farmer Ordinance.

REMUNERATIVE PRICES AND ASSURED PROCUREMENT

Probably the most important recommendation of the NCF with regard to building confidence and providing incentives to farmers was its suggestion that farmers be ensured remunerative prices for crops. The Commission recommended that the Minimum Support Price (MSP) be at least 50 per cent more than the weighted average cost of production and gave the now famous formula of "C2+50 per cent" for the computation of the minimum support price.² Such a policy would provide

² Cost C2 is the sum of the following: the value of purchased material inputs (seed, insecticides and pesticides, manure, fertilizer), hired human labour, animal labour (hired and owned), hired farm machinery, depreciation on farm implements and farm buildings, irrigation charges, land revenue cesses and other taxes, interest on working capital, rent paid for leased-in land, interest on value of owned capital assets (excluding land), rental value of owned land (net of land revenue) and rent paid for leased-in land, and imputed value of family labour.

income security to farmers and some protection to them. But in the last ten years no government has taken this advice seriously. The All India Kisan Sabha has consistently demanded that the Commission on Agricultural Costs and Prices (CACP) compute the minimum support price along the lines recommended by the NCF. The reality, however, is that cost calculations by farmers' groups, the Kisan Sabha, and by State Governments show that CACP calculations of the minimum support price are often far below the costs actually incurred by farmers. Farmers' woes are compounded by the fact that there is no assured procurement either. For instance, in the *rabi* (winter crop) marketing season 2016-17, while the weighted average cost of production of wheat was Rs 1212 per quintal according to the Commission on Agricultural Costs and Prices, the cost of production in many States was higher than even the recommended minimum support price, which was Rs 1525 per quintal.³

Similarly, in the *kharif* (monsoon crop) marketing season of 2015-16, while according to the CACP, the weighted average cost of production of rice was Rs 1324 per quintal, the minimum support price announced was only Rs 1410 per quintal. It is noteworthy that, in some States, the cost of production was higher than Rs 2000 per quintal.

It is well known that a vast majority of farmers cannot hold their crops for long after harvest because they have no other means of livelihood and no facilities for safe storage and because they have short-term cash requirements. For these reasons, they have to sell their produce immediately after harvest. At harvest time, however, Government agencies are often absent, and farmers, who do not receive even the MSP set by Government, are forced to make distress sales. Middlemen and private traders purchase output at prices lower than the MSP and sell it to the Government at MSP and, in the process, with little investment and little risk, pocket huge profits. Farmers in Odisha and Jharkhand, for instance were receiving Rs 1100 per quintal or less at a time when their costs of production, were higher than the recommended MSP. With such low MSPs how can one expect to provide incentives to farmers to continue in agriculture?

The NCF suggestion that the crop basket covered by minimum support price policy be expanded and that procurement be assured has been a consistent demand of the AIKS, but the demand has gone unheeded. The policy of setting a minimum support price is thus rendered ineffective and is now of little benefit to farmers.

The Narendra Modi-led BJP Government, which came to power promising to pay farmers MSP according to the recommendations of the NCF, filed an affidavit before the Supreme Court after the election in which it stated that it was impossible to fulfil that promise. To add to the problems of farmers it also issued a Government Order to States threatening that procurement would be halted in States that paid

³ 1 quintal=100 kilograms

farmers a bonus over and above the MSP fixed by the Central Government. This is the true face of this anti-farmer Government. During this period, the good intentions of the NCF in this regard have systematically been sabotaged by a policy aimed at dismantling India's grain procurement mechanism.

All India Kisan Sabha teams in different States have found that costs of production increased manifold because of farmers' dependence on private moneylenders, who charge anything between 30 per cent and 120 per cent (or more), and that land rents and input costs were unprecedentedly high. Most families told us that they did not get bank loans at low rates of interest, and did not get inputs such as fertilizer, seed, pesticide, water, and electricity at affordable rates. Most families had no Kisan Credit Card and none had any insurance cover. They did not receive the minimum support price or prices for their crops as recommended by the CACP. In addition, when full-grown crops were lost to unseasonal rain, flood, or severe drought, or destroyed by animals, as they often are, farmers were paid no compensation and were unable to repay the loans they had taken. The physical assault and humiliation heaped on them by banks and moneylenders were often the reasons that impelled farmers to commit suicide.

Although in the previous Union Budget certain noises were made to the effect that the Price Stabilisation Fund recommended by the NCF would be put in place, the current Budget is altogether silent on the matter. The NCF had correctly called for swift action on import duties to protect farmers from volatile international prices. The crisis of rubber growers and cultivators of tea, coffee, and spices points to the relevance of the Price Stabilisation Fund as well as the need to reverse trade liberalisation policies and reverse the abolition of quantitative restrictions on imports. Only a combination of measures can generate the cumulative impact necessary to make agriculture remunerative. There is no inclination, however, on the part of the ruling classes to implement such measures.

The All India Kisan Sabha has taken the NCF suggestion to promote commodity-based farmers' organisations very seriously. The Kisan Sabha has held conventions of sugarcane cultivators, rubber growers, jute farmers and workers, and has organised sericulture farmers, vegetable growers, milk producers, and poultry farmers. The NCF suggestion to make efforts to combine decentralised production with centralised services such as post-harvest management, value addition, and marketing, in order to leverage institutional support and facilitate direct farmer-consumer linkages has also been taken seriously. The 33rd All India Conference of the AIKS constituted a separate Commission to discuss some of the issues raised by the NCF towards making agriculture a viable and profitable venture. In this regard some of our efforts to form a Peasant-Worker Cooperative in Wayanad and work towards participatory seed development in Andhra Pradesh-Telangana and Tripura are attempts to give concrete form to these suggestions of the NCF. The AIKS understands the importance of such interventions and the need to present practical alternatives to the hard-pressed peasantry.

IRRIGATION, LIFELINE OF AGRICULTURE

The NCF stressed the importance of sustainable and equitable access to water for all farmers and of increasing water supplies by means of water harvesting and recharging aquifers and millions of wells across the country. It called for a substantial increase in investment in irrigation. Since more than 60 per cent of cultivable land in India is rainfed, uncertainty in agricultural production is a major issue. Unfortunately, there has been no remarkable expansion of irrigation in the country. Major irrigation projects remain unfinished. Allegations of corruption in the implementation of such projects have been widespread in Maharashtra, Himachal Pradesh, and many other States. Instead of utilising water for agricultural purposes optimally and in a sustainable way, the Government is now privatising water resources. Micro-irrigation facilities have not been made accessible and there have not been consistent efforts to recharge private wells, ponds, and lakes. Farmers are forced to purchase water from private sources at exorbitant rates. The uncontrolled exploitation of groundwater is causing a new problem. Repeated drought in most parts of the country is also destroying our peasant economy.

Sustainable and equitable access to water and the proper implementation of water harvesting and other methods to recharge water sources remain distant dreams for the peasantry, especially for small and marginal farmers, who constitute the massive majority of the peasant population.

Investment in irrigation is also not adequate and the NDA Government's earlier two budgets did not help in expanding irrigation under the Prime Minister's *Sinchai Yojana*. This year's Budget has made many high-sounding promises, though how far they will be implemented needs to be seen. In our assessment, given the massive infrastructural investment that is required to get water to every field and to conserving water in a sustainable manner, the allocations made are very meagre.

ENHANCING AGRICULTURAL PRODUCTIVITY

The Commission urged that agricultural production and productivity be enhanced, as these are crucial to ensuring better incomes for farmers. It also pointed that productivity per unit of area in India is far below other major crop-producing countries. For most crops, including rice and wheat, yields in other major countries and even world averages exceed yields in India by factors of 1.5 to more than 2.

Low production and low yields have inescapable implications for food security. Although a manifold increase in investment is a necessary condition for enhancing productivity, public investment has been low or has actually declined in the NDA Government's first two budgets. Both UPA and NDA governments have stressed private, rather than public, investment. Both have propagated the Public-Private Partnership (PPP) model. What has been our experience of this model over the past

decade? Private parties are more interested in speculative activity, market manipulation, and future trading than in increasing basic productivity.

Overall productivity in Indian agriculture has not increased in any substantial way over the last decade; indeed, as the Government has failed to implement the suggestions of the NCF, India has experienced negative agricultural growth in certain years.

Instead of implementing the suggestions of the NCF, the Government is giving a free hand to multinational corporations and agribusinesses in agricultural research and extension and in determining the direction of agricultural policy. The NCF suggestions for substantial increases in public investment in agriculture, irrigation and other infrastructure, land development, water conservation, conservation farming, promotion of soil health, water quality, and biodiversity as well as agricultural research would have introduced a new paradigm for agricultural development. The ruling classes, however, chose to go more with the recommendations of the Indo-US Knowledge Initiative in Agriculture, loaded heavily with big agribusinesses, than with the recommendations of the NCF.

ACCESSIBLE CREDIT AND UNIVERSAL INSURANCE COVERAGE

The NCF stressed the importance of assured cheap credit and proper insurance coverage for all farmers and all crops. A timely and adequate supply of credit is a basic requirement of small farm families. It correctly pointed out the need to expand the reach of the formal credit system to the really poor and needy. Unfortunately, despite the NCF recommendation that farmers be given credit at an interest of not more than 4 per cent per annum, there have been no positive achievements in this regard. The majority of farmers – small, marginal, and poor peasants, tenants, and agricultural workers – have no access to cheap institutional loans. A small section of the upper strata of rich and some middle peasants get bank loans. But the major part of bank loans go to agri-businesses and capitalist landlords as well as rich farmers rather than to really needy cultivators. More than 45 per cent of farmers are forced to take loans from private moneylenders at interest rates varying from 20 to 120 per cent per year. There are those who do not take loans at all and cannot purchase agricultural inputs, the prices of which have increased manifold over the decade.

The NCF made radical suggestions to make credit accessible and affordable to all needy farmers. Its recommendations envisaged comprehensive measures to extricate the peasantry from the perpetual cycle of indebtedness. The Left Democratic Front (LDF) Government in Kerala took suggestions of the NCF in this regard seriously, and constituted a Debt Relief Commission to bring relief to the peasantry.

The NCF suggested establishing an Agriculture Risk Fund to provide relief to farmers in the aftermath of natural calamities. It also called for the creation of a Rural Insurance Development Fund to take up development work to spread rural insurance. It has to be

said here that the Kisan Sabha greatly benefited from the NCF recommendations on developing an integrated credit and insurance scheme covering crops, livestock and human health. Representatives of the Kisan Sabha raised the issue with the Government in the discussions before the formulation of the Prime Minister's Crop Insurance Scheme (Pradhan Mantri Fasal Bima Yojana). Taking into consideration the recommendations of the NCF, the Kisan Sabha demanded that crop insurance be extended to cover the entire country and all crops, with subsidised premiums, and that 100 per cent subsidy be extended to Dalit and Adivasi farmers, and to poor States and regions where the number of farmer suicides were high. Crop insurance remains a joke for the majority of farmers in our country today. Two previous insurance schemes reached less than 15 per cent of farmers; in respect of many crops, no farmers at all were insured. Awareness in this regard needs to be generated among farmers.

Unfortunately, without taking account of such suggestions the BJP Government announced the Pradhan Mantri Fasal Bima Yojana with much fanfare. This scheme, like previous schemes, will not benefit 80 to 85 per cent of farmers. The scheme will, however, not fail to add to the profits of big private insurance companies, who have already announced that they will double their profits from this scheme. According to sources in private insurance companies, the companies expect an increase in business by over Rs 8000 crore (Rs 80 billion) in a year.

FOOD SECURITY, POVERTY ALLEVIATION AND EMPLOYMENT GENERATION

The NCF expressed concern for food security among our people and recommended a universal public distribution system. It also sought the formulation of a National Food Guarantee Act that would take forward the useful features of the Food for Work and Employment Guarantee programmes. The Commission pointed out that increasing demand for foodgrain as a result of increased consumption by the poor would create the economic conditions essential for further agricultural progress. Ultimately, although the Food Security Act was a continuation of the Targeted Public Distribution Scheme, it too has not been implemented across the whole country. The Government even tried to reduce the coverage of the Act, a move that is against the spirit of the recommendation of the NCF. The present Government is trying to further reduce the role of the Food Corporation of India (FCI), weaken procurement policy and restrict access to the public food distribution system to fewer beneficiaries. The nutritional consequences of a universal public food distribution system are being ignored, although the majority of our women, children, and tribal people are victims of malnutrition.

Hunger still confronts our people. More than 500 tea garden workers in West Bengal died of starvation in recent months. In such situations, it is necessary to recall that the NCF suggested the establishment of Community Food and Water Banks operated by women Self-Help Groups (SHG) and based on the principle "Store

Grain and Water Everywhere”; such groups would have mitigated widespread suffering to a great extent.

The members of the NCF also applied their minds to rural employment and made suggestions to create more rural jobs for the vast masses of rural unorganised-sector job seekers. They stressed labour-intensive rural development work. A step in this direction was taken when the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), an Act to guarantee work for 100 days to each rural household that demanded work, was passed. Few households, however, actually received work for 100 days; most States could not provide more than 30 to 40 days of work per household. The Government does not provide adequate funds for the Programme. While full implementation of the scheme would require over Rs 65,000 crores, the most recent Budget allocated only Rs 38,000 crores to the scheme, while over Rs 7,000 crores of wage arrears remain from last year.⁴ The record of the Left Front Government in Tripura has been the best in this regard: the State created 87 days of work in a year for the rural poor and about 92 days in a year for Adivasi workers. Despite its excellent track record, MGNREGA funds for Tripura are also being cut drastically.

The Government is now seeking to scale down the coverage of MGNREGA to 2500 administrative Blocks out of more than 6500 administrative Blocks in the country. As a result, migration among the rural poor is continuing unabated. Lack of adequate funding and also lack of political will has led to a systematic downsizing of the MGNREGA.

The NCF contained clear suggestions for holistic development for the rural masses and its recommendations were based on the understanding that only a healthy population can create a healthy nation. Hence the NCF called for the provision of affordable health insurance, the revitalisation of primary healthcare centres, and the expansion of the National Rural Health Mission to suicide hotspots on a priority basis. A social security net with provision for old age support and health insurance was crucial to the success of these suggestions. However, the policies of successive Governments have caused the privatisation of the health sector, and health services are becoming inaccessible as well as costly.

OVERCOMING NEGLECT AND THE WAY AHEAD

The NCF expressed concern over the growing number of farmers’ suicides and recommended urgent measures to prevent this curse. But did the governments of the day – Congress-led UPA or BJP-led NDA – pay any heed to them? The answer, unfortunately, is “No.” In spite of the very good intentions of the Swaminathan Commission and the great value of its recommendations, different Governments have either ignored them or implemented them half-heartedly. The huge benefits

⁴ 1 crore=10 million

that can be achieved by the proper implementation of the recommendations of the Report have not been realised. Successive ruling parties have used the recommendations to create catchy slogans at election time and have forgotten them after the elections.

The number of farmers' suicides has crossed 350,000 and there has been a huge increase in suicides after the BJP Government led by Narendra Modi took over. A couple of years ago 46 farmers committed suicide every day; that figure has increased to 52 suicides a day. In BJP-ruled Maharashtra the number of farmers' suicides has crossed 3,300 in a year and there is a rising trend in Karnataka, Punjab, Haryana, Andhra Pradesh, Telangana, Chhattisgarh, West Bengal and other States, although the Government is in denial mode and is underplaying the actual magnitude of the crisis.

Falling incomes and indebtedness have been a major cause of suicides by farmers. Economic hardship is further accentuated by Government apathy and by a feeling of helplessness that develops as the Government withdraws from its responsibility to provide quality inputs and credit at subsidised rates and the assured procurement of crops at remunerative prices. The NCF recommended the establishment of State-level Farmers' Commissions, with representation from among farmers and with statutory powers; such Commissions may have helped to change the present situation. However, flawed policies of trade and financial liberalisation have further exposed farmers to volatile prices and parasitic moneylenders. No comprehensive steps have been taken by Governments to address the reasons for farmers' suicides.

In Andhra Pradesh, Haryana, Maharashtra, West Bengal, Assam, Telangana, Karnataka, Odisha and other States, teams of Kisan Sabha workers have visited the families of farmers who committed suicide. The AIKS organised a two-day protest before Parliament to draw the attention of the nation around the slogan "Say No to Suicides: Unite and Fight." The ruling classes, however, remain insensitive to this vast and grave human tragedy.

The recommendations of the NCF served as encouragement to the entire farming community. The Commission was seen as a ray of hope amidst the agrarian crisis, and it instilled confidence in farmers who were in a state of despair. Peasant organisations, including the All India Kisan Sabha, received very important guidance as well as information on programmes that would benefit the peasantry. The peasant movement studied the recommendations of the NCF and campaigned among the farmers about the suggestions of the Commission. We have organised farmers in support of the constructive recommendations of the Commission and have struggled for their implementation at ground level. The Kisan Sabha believes that most of the recommendations transcend the short term in their relevance and are indispensable for the transformation of the agrarian situation as a whole as well as for inclusive, equitable growth. The battle is going to be long-drawn and difficult. United struggles will continue until victory is ours.