

# Death in the Midst of Plenty

## Farmer Suicides in Punjab

SUKHPAL SINGH

There remain misconceptions regarding farmer suicides. There is a need to set right these erroneous ideas based on scientific studies that have been conducted seeking to devise solutions to address the prevailing crisis of the peasantry in Punjab.

Punjab has shown unprecedented growth in the production and productivity of wheat and paddy, and has emerged as the largest contributor to the central pool of foodgrains. Despite being a benchmark of agricultural growth during the green revolution since the mid-1960s, agriculture in Punjab in particular is undergoing a phase of declining farm profitability and increasing indebtedness. The intensity of the agrarian crisis is such that the Government of Punjab recently formulated two committees, namely, the Vidhan Sabha Committee on rural suicides under the chairmanship of Sukhbinder Singh Sarkaria, and the Debt Waiver Committee under the chairmanship of T Haque.

The existing situation is quite grave as the farmers are burdened by about ₹80,000 crore (2016–17). The magnitude and seriousness of the farm crisis can be gauged from the fact that 6,926 farmers and agricultural labourers committed suicide in the state during 2000–10 as per the census-based study commissioned by the Government of Punjab (GoP 2011). Among the victim farmers, about 79% were small farmers cultivating up to two hectares of land. The high debt burden was the primary reason behind 75% of farmer suicides. According to a report of seven districts in the state, the debt-related suicide cases have increased at an alarming rate of 90.23% during 2010–16 (Vasudeva 2017: 7). Surprisingly, still some people attribute this scenario of suicide cases to socio-psychological behaviour of the affected farmers, conveniently ignoring the economic maladies to which these victims have been exposed.

### Myth or Reality

In Punjab, farmers in general and small farmers in particular are being acutely affected by the agrarian crisis. But, without showing any empathy towards

the victims of this crisis, the so-called intelligentsia, politicians, and media blame the deceased for having a lethargic attitude towards work, mismanaging resources, and indulging in unnecessary expenditure. The integrity of the victim is questioned and doubts are raised by comparing the victims to farmers from more vulnerable sections of the agrarian economy, agricultural labourers, who do not commit suicide though they are in far more adverse economic conditions.

There is a need to address these misconceptions regarding the distress of the farming community. The first issue is related with the nature and status of employment in the agricultural sector. In Punjab, over 83% of the gross cropped area is under rice–wheat cultivation due to the effective minimum support price (MSP) that ensures higher returns and sustainability of these crops. The total labour required for the cultivation of 1 hectare (ha) of wheat and paddy is 20 and 50 person-days, respectively (Singh 2017: 6–7). A typical small-farm household cultivates, on an average, 1.2 ha of land, having two on-farm workers, and generates a meagre annual employment of 42 days per person. Almost all the activities on small farms are taken care of by family labour itself. There is a common misconception that farmers in Punjab are not working by choice, since migrant labourers are coming to the state and constitute a major proportion of the farm workforce. However, owing to monoculture of wheat and paddy crop rotation in the state, the productivity of these two crops is highly dependent on timely sowing and harvesting. For clarity, if the sowing of the wheat crop is delayed by a week, it directly decreases productivity to the extent of 3.5 quintal/ha. Thus, it makes the window of opportunity rigid and necessitates the hiring of labour for 10–12 days/year especially during the peak season (sowing and harvesting). In contrast, with the onset of the lean period (which is about 260 days/annum) the problem of unemployment comes to the fore. Further, with the prevalent use of farm machinery and chemicals (weedicides), the overall requirement for labour

Sukhpal Singh ([hodaes@pau.edu](mailto:hodaes@pau.edu)) teaches at the Department of Economics and Sociology, Punjab Agricultural University, Ludhiana, and is coordinator, Census Studies on Farmers and Agricultural Labourers Suicides in Punjab (2015–17), Government of Punjab.

has gone down. Over 90% of paddy and 70% of wheat is harvested with combine harvesters, thus, further shrinking labour employment (Singh 2017: 4–5).

Moreover, alternative employment opportunities in rural areas are unpromising. Punjab's economy has been unable to exhibit developmental transition of human resource, wherein the surplus labour from the agricultural sector has been unable to adjust in the industrial sector and further on to the service sector. Much of the labour movement from the agricultural sector to the industrial sector is of the "push type" (crisis-led) than the "pull type" (development-led). The report of the Punjab State Farmers' Commission reveals that, out of five lakh, about two lakh small farmers were pushed away from agriculture during 1991–2001 (Singh et al 2007: 11). Further, the total demand for farm labour has decreased from 48 crore person-days in 1980–81 to 45 crore person-days in 2014–15 (Singh 2017: 7–9). As per unofficial estimates, 30 lakh persons were unemployed and another large chunk of persons were underemployed or disguisedly unemployed during 2016–17 in Punjab.

Second, the farmers are blamed for their lavish spending habits and consumer behaviour, and advised through the maxim of "cut your coat according to the cloth." But the actual status of farm income and magnitude of debt is generally ignored. In Punjab, the annual income of farmers from crop farming is found to be insufficient to meet their expenditure and debt servicing. The annual net income of an average farm household from crop farming is ₹5.52 lakh, which is less than their debt burden of ₹8 lakh during 2016–17. Three quarters of the total debt is incurred for productive purposes, including a major share for farm inputs. The annual net income of marginal- and small-farm households from crop farming (₹0.72 lakh and ₹1.78 lakh, respectively) was much lower than their debt burden of ₹1.82 lakh and ₹2.70 lakh, respectively. Although the farmers are considered guilty of unproductive expenditure and spendthriftiness on socio-religious ceremonies, in reality, small-farm households of the state incur 54% of their

expenditure on food and 12.4% on education, and only a minuscule 2.65% on social celebrations (Singh et al 2016: 76–78).

That farm mechanisation, especially ownership of tractors (often considered unviable for smaller farmers), leads to debt, is another misconception. The total agricultural land in Punjab is 41.5 lakh ha and the total number of tractors for agricultural purpose is 4.72 lakh. The average size of landholdings is 3.94 ha in the state. According to estimates of Punjab Agricultural University, Ludhiana, the ownership of tractors is economically viable for farming on a land size of 8 ha. Therefore, it would make sense only for large farmers to own tractors. However, due to a short span of time during which harvesting and sowing of crops is undertaken, the whole farming community requires tractors. In such a situation, the tractors of larger farmers are seldom free for hiring out to smaller farmers. The alternative to tractor farming, bullock farming, though non-existent in Punjab, is more expensive than tractor farming. The Agro Machinery Service Centres (AMSCs) are far fewer than what is required, there are 1,560 centres, but 12,581 villages in the state. As a result, a large number of villages

are unable to use the farm machinery on custom hiring basis from these centres. Consequently, one quarter of the small farmers have to buy tractors to use on their land and for hiring out to other small farmers in need (Singh 2017: 7–8). These facts refute the misconception that smaller farmers purchase tractors unnecessarily.

Farmers are often unduly damned for generating their own distress and committing suicide despite being better off than the other poor in society (farm labourers, other workers). A benchmark survey (2000–10) conducted by Punjab Agricultural University, Ludhiana, Punjabi University, Patiala, and Guru Nanak Dev University, Amritsar in all the villages of Punjab revealed that a total of 6,926 suicide cases occurred in the state. Of these, 3,954 were farmers and 2,972 were agricultural labourers (GoP 2011). Considering that there are 20 lakh cultivators and 15 lakh agricultural labourers in Punjab, an average of 18 farmers and 18 agricultural labourers commit suicide per lakh workers per annum. The magnitude and trend of suicides was the same for farmers and agricultural labourers. Even the recent report on suicides submitted to the Government of Punjab by Punjabi University,

## EPWRF India Time Series

### Expansion of Banking Statistics Module

(State-wise Data)

The Economic and Political Weekly Research Foundation (EPWRF) has added state-wise data to the existing Banking Statistics module of its online India Time Series (ITS) database.

State-wise and region-wise (north, north-east, east, central, west and south) time series data are provided for deposits, credit (sanction and utilisation), credit-deposit (CD) ratio, and number of bank offices and employees.

Data on bank credit are given for a wide range of sectors and sub-sectors (occupation) such as agriculture, industry, transport operators, professional services, personal loans (housing, vehicle, education, etc), trade and finance. These state-wise data are also presented by bank group and by population group (rural, semi-urban, urban and metropolitan).

The data series are available from December 1972; half-yearly basis till June 1989 and annual basis thereafter. These data have been sourced from the Reserve Bank of India's publication, *Basic Statistical Returns of Scheduled Commercial Banks in India*.

Including the Banking Statistics module, the EPWRF ITS has 17 modules covering a range of macroeconomic and financial data on the Indian economy. For more details, visit [www.epwrfits.in](http://www.epwrfits.in) or e-mail to: [its@epwrf.in](mailto:its@epwrf.in)

Patiala revealed that out of a total 737 suicides in seven districts of Punjab during 2010–16, the number of agricultural labourer suicides was higher (397) than that of farmers (340) (Bharti 2017). This shows that all the households dependent on agriculture fall prey to stern economic crises.

Lastly, the tone and tenor of popular discourse profess a very strong linkage between drug addiction and suicides. Despite drug addiction being a menace in Punjab, this factor is not the sole determinant of the mass agrarian crisis. A study revealed that 1.68% of an average farm household's domestic expenditure was on drugs (Singh et al 2016: 75). Even the districts of Bathinda and Sangrur, where the human development index is the lowest and there is a relatively higher problem of drug addiction, exhibited a negative correlation between suicides and drug addiction. Nearly 65% and 59% suicide victim farmers in Sangrur and Bathinda districts, respectively were found to be non-drug addicts (Sidhu et al 2011: 135).

### Root Cause of Crisis

Declining farm profitability is a stark reality faced by Punjab's economy. The mismatch between farm inputs and output prices, crop failures, and unfavourable terms of trade between prices paid and received by the farmers have contributed fairly to declining farm incomes. The MSP of wheat and paddy increased at the rate of 2% per annum while the cost of cultivation increased at the rate of 7.9% during the last one and a half decades. The growth rate of the gross domestic product from agriculture kept on sliding from 5.27% in the 1980s to 2.3% during 2002–07, and further to 1.9% during 2007–12 in the state. With a growth rate of around 1.6% (during 2012–17) and the stress on natural resources, the farm sector is trapped in a vicious circle of crisis. Expectedly, small farmers are the worst sufferers. The crisis is acting as a double-edged sword as it is affecting the farm economy directly and other sectors indirectly. The farm sector provided employment to 63% of the workforce (in 1971), which subsequently fell to only

35.6% of the workforce (in 2011). Moreover, the productivity of farm workers is much lower than that of non-farm workers. Due to the declining water table, the cost of irrigation structures has increased as the farmers have to replace centrifugal pumps by costly submersible pumps. The farmers are being exploited by traders and dealers providing them spurious seeds and agrochemicals.

Plummeting incomes, mounting debt, and high interest rates (particularly of non-institutional sources) have pushed the peasantry towards deprivation. Farming, particularly small farming, is no longer a viable occupation as incomes are not sufficient to meet the basic expenses of domestic consumption, health-care, and education. The total power subsidy of ₹4,945 crore (2016–17) is provided by the government to the farm sector, of which the small and marginal farmers (34% of total landholdings) get only 7%. Also, of the total fertiliser subsidy of ₹4,900 crore and irrigation subsidy of ₹1,000 crore, they barely get around 7%. Small and marginal farmers of the state are leaving farming due to distress-led factors and the process of de-peasantisation has set in.

### The Way Out

Adequate and immediate compensation is imperative to ameliorate the financial stress on the deceased families. The children of the victim families must be provided free education. As the Punjab government has promised to provide jobs to one member in each family in the state, this may be started with the next of kin of the victim of farmer suicides. The debt amount of all the small farmers needs to be waived, while, for the medium and large farmers, the debt burden needs to be minimised by debt restructuring through initiating a debt moratorium of one year and affordable repayment instalments. Since the peasantry is falling prey to unscrupulous non-institutional sources of finance, especially the money-lender who sources around one quarter of the total farm debt, the "Scheme for Debt Swapping of Borrowers" should be made more effective for converting the non-institutional debt into institutional debt. Also, the MSP as per the Swaminathan

report (cost plus 50%) needs to be honoured and implemented.

The AMSCs should be set up at every village to provide custom-hiring services to small farmers on a priority basis. Quality farm inputs like seed, fertilisers, and pesticides must be supplied to the farmers at subsidised prices. Rationalisation of subsidies, especially in favour of small farmers may control appreciating farm costs and making small farming viable. For alternative employment, the Mahatma Gandhi National Rural Employment Guarantee Scheme should be effectively implemented by ensuring stipulated annual employment of 100 days, rather than the existing 30 days, to each family in the state. Identifying and developing crop niches that will encourage allied activities in appropriate agro-climatic zones of the state, and developing cooperative primary processing and marketing units for crops and activities in these zones can help improve the economic well-being of the farmers.

At this juncture, let us leave aside our misconceptions about the agrarian crisis and think deeply about what must be done for devising effective and workable solutions to address the crisis that Punjab's peasantry is suffering.

### REFERENCES

- Bharti, V (2017): "Report: More Farm Labourers Killing Self Than Farmers," *Tribune*, 5 July, Chandigarh, pp 1, 10.
- GoP (2011): "Farmers' and Agricultural Labourers' Suicides due to Indebtedness in Punjab," report submitted by Punjab Agricultural University, Ludhiana, Punjabi University, Patiala and Guru Nanak Dev University, Amritsar to Government of Punjab, Chandigarh.
- Sidhu, R S, Sukhpal Singh and A S Bhullar (2011): "Farmers' Suicides in Punjab: A Census Survey of the Two Most Affected Districts," *Economic & Political Weekly*, Vol 46, Nos 26–27, pp 131–37.
- Singh, Karam, Sukhpal Singh and H S Kingra (2007): "Status of Farmers Who Left Farming in Punjab," research report, Punjab State Farmers' Commission, Government of Punjab, pp 10–12.
- Singh, Sukhpal, V K Sharma, M Kaur and H S Kingra (2016): "A Study on Income and Expenditure Pattern of Punjab Farmers," research report, Department of Economics and Sociology, Punjab Agricultural University, Ludhiana, pp 75–78.
- Singh, Sukhpal (2017): "Economic Conditions of Farmers in Punjab," Department of Economics and Sociology, research report, Punjab Agricultural University, Ludhiana, pp 1–12.
- Vasudeva, V (2017): "Alarming Rise in Farm Suicides in Seven Punjab Districts," *Hindu*, 16 June, Chandigarh, p 7.