



Indebtedness and Farmer Suicide in the Liberalized Economy of Punjab

Dr. Mandeep Gaur

Assistant Professor Religious Studies, Punjabi University TPD Malwa College, Rampura Phul(PUNJAB)

ABSTRACT

Punjab is considered self sufficient in food production. It led the Green Revolution of the country and was crowned as Indians' 'bread basket'. It is one of India's most prosperous and developed states with a low poverty rate. According to National Human Development (2001), it is ranked as second state of the country (first being Kerala) in terms of overall National Human Development.

But, the other side of the picture seems very dark. Many facts indicate that the 'development story of the state is very much of a delusion. Rural economy of Punjab is based on agrarian and allied activities, mainly livestock. The swelling cost of production and commercialization has made Punjab agriculture high cost and risk prone to crop failure. The falling income and unproductive expenditure on religious as well as social ceremonies has made the peasants debt-ridden. In 1997, the approximate indebtedness of Punjabi peasants mounted to 5700 Crores. Hence, the number of farmer suicides escalated in the state. According to a pilot survey conducted by Punjab Agriculture University, Ludhiana (2008), 2890 farmers committed suicide in Bathinda and Sangrur districts only during 2000-2008. Indebtedness was the major reason behind this phenomenon. The burden of debt and constant pressure of social-stigma compelled these farmers to take this drastic step.

Consequences of rural indebtedness are disastrous. Economically, rural indebtedness has resulted in the extreme poverty of the farmers (esp. marginal and small farmers). Land is passing into the hands of non-agriculturists and these farmers are becoming landless. Socially speaking, rural indebtedness is creating a class of landless labourers and tenants. It is resulting in bonded labour and many other evils. Thus, we can say that 'development' is a cumulative force and should influence social as well as economic growth. The disequilibrium in agrarian society is leading to wrong tendencies like drug abuse and suicides. For preserving its 'bread basket' crown, Punjab should try to better the lot of the agrarian community, particularly of the marginal and small farmers. The State must device institution and norms which may assure real economic and social development of the agriculturists.

KEYWORDS : Post Green Revolution Development, Indebtedness, Farmer Suicides, Bonded Labour, Drug abuse

Indebtedness and Farmer suicide in Punjab

Aim of the study:

Aim of the study is to throw some light on social and economic development in Punjab vis-à-vis farmers' economic distress, indebtedness and suicides.

Statement of the problem:

In spite of the fact that Punjab remained a forerunner in the 'green revolution' and earned the reputation of 'agriculturally advanced state', it has been overwhelmed by crisis situation in the recent years. Productivity of the agricultural land is decreasing, cost of cultivation of the crops is increasing, growth rate of net state domestic product (NSDP) has declined, burden of debt on the farmers (esp. marginal and small) has been increasing. Hence, farmers of Punjab are unable to compete with 'World market'. Consequently, suicides are continuously taking place among the peasants.

Objectives of the study:

Following are the main objectives of the study:-

- To reveal the role of indebtedness in farmers' suicide.
- Major reasons of economic distress among farmers.
- Methods used by the farmers for suicide.

Sources of data:

The study is non-empirical in nature, therefore, the secondary sources are employed to collect information and construct the theoretical framework of the study.

Findings of the study:

After independence it was our national requirement that India should be self-reliant in agricultural products. To acquire self-reliant status, India introduced new scientific approach to agriculture. India initiated 'Green Revolution' in mid sixties which put Indian farmers into market nexus from subsistence agriculture. During this phase, Punjab remained self-sufficient in food production and earned the reputation of country's 'bread basket'. It also performed well in other sectors, i.e., industry, health, education, infrastructure etc. An average citizen of Punjab achieved a level of socio-economic development that an average Indian citizen was unlikely to experience. Punjab became one of

India's most prosperous and developed states with a low poverty rate. During 1990s, approximately 94% of Punjab's population was above the poverty line. In 2001, it was ranked second (first being Kerala) state of the country in terms of overall National Human Development.

But now, the whole scenario has changed due to the faulty agrarian policies. Peasants of Punjab are reeling under heavy debt and are not in a position to repay the loans of commission agents, money lenders, land development banks, co-operative societies, commercial banks etc. This gloomy situation is compelling them to commit suicide.

So many people have sacrificed their lives to express the agrarian distress. Failure of crops, draughts and floods, lack of remunerative prices and indebtedness are main causes of this distress. According to National Crime Records Bureau, 2,16,500 Indian peasants committed suicide during 1997-2009. A pilot survey conducted by the department of Economics and Sociology, Punjab Agriculture University, Ludhiana (2008), revealed that 2890 farmers committed suicide in Bathinda and Sangrur districts only during 2000-2009. Some studies suggest that majority of the suicide victims are marginal and small farmers. Methods used for suicide are mainly partaking of poison, pesticides etc., and self strangulation. The indebtedness, domestic incompatibility, drug-abuse, alcoholism and crop failure appear as motivating factors behind suicide. But, the indebtedness remains the leading factor among them. It is observed that a remarkable majority of the suicide victims in Punjab was under heavy loan both from institutional and non-institutional sources. A study conducted by H.S. Shergill (2008), unearthed the fact that the peasants of Punjab had debts of 5701 Crores during the year 1998-99; and during 2008, it touched the figure of around 30,394 Crores. Many studies suggest that agricultural indebtedness has been incurred because of unproductive expenditure on religious and social ceremonies, such as construction of houses, community dinners, marriage, birth and death ceremonies. Money lenders and commission agents are the major credit agencies for these short-term loans. They charge very high rate of interest from the farmers. The loans are also provided on the sale-agreement of land. Even the borrowers are compelled to buy the agricultural inputs from the specified shops. On the other hand, they approach formal agencies only for long-term borrowings.

The availability of easy credit from the institutional or non-institution-

al credit agencies inclines these peasants to abandon their attitude towards savings and encourages them to be somewhat extravagant with borrowed money. According to All India Rural Credit Survey (1970), agriculturists borrow 53.4% of their total borrowings for non-productive purposes. Thus, it can be said that debt burden stigmatizes the peasants, takes away their freedom, lowers their status and leaves them with little hope for the future.

Conclusions and suggestions:

There is a rise in the farmer's suicides in Punjab. More than 80% peasant suicide victims are small and marginal farmers. Often suicide is committed through partaking poisonous material or self-strangulation. Indebtedness appears as the major factor behind the suicides. Declining income, stagnating yield, repeated crop failures and swelling debt prove to be the major causes of non-repayment of the loans. Majority of suicide victims borrow from non-institutional credit agencies and spend these small borrowings for the unproductive purposes. Psychological pressure caused by increasing debt burden and a constant feeling of social stigma compel them to commit suicide.

Consequences of rural indebtedness are disastrous. Economically, rural indebtedness has resulted in the extreme poverty of the farmers (esp. marginal and small farmers). Land is passing into the hands of non-agriculturists and the farmers are becoming landless. Socially speaking, rural indebtedness is creating a class of landless labourers and tenants. It is resulting in bonded labour and many other evils. Hence, there is an urgent need to formulate new policies to prevent farmers' suicides. The agriculture sector must be made more remunerative and employment generating. Seeds, fertilizers and pesticides should be provided on subsidized rates to small and marginal farmers. There should be a special compensation in case of crop-failure or crop damage. The education in the rural areas needs to be reformed. More and more peasants must be educated, academically and vocationally. Families of the suicide victims must be rehabilitated. Free education must be provided to their children.

In a nutshell, we can say that 'development' is a cumulative force and should influence social as well as economic growth. The disequilibrium in the agrarian society is leading to wrong tendencies like drug abuse, crime and suicides. For preserving its 'bread basket' status, Punjab needs to better the lot of the agrarian community. The state must devise institutions and norms which may assure the real economic and social development of the agriculturists.

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