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Asia Research Brief

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Analyzing Farmer Suicides in India

Since the late 1980s and especially since the early 1990s, the Indian economy has been exposed to increasing international market pressures. State protection of nationally-based producers weakened, and state-led and state-promoted capitalism moved towards a free market model. This neo-liberalization of the economy and society has been hotly debated and rural areas in particular have been adversely affected. A tragic manifestation of these impacts has been farmer suicides. Between 1995 and 2012, 284,469 farmers committed suicide.

We view farmer suicide as part of a wider system of capitalist production and exchange, governed by the law of value. This law is multi-scalar, but in the final instance it is an international process. By putting pressure on local and national 'economies' to be internationally competitive, this process can potentially undermine the conditions of small-scale producers engaged in commodity production. This same process also limits the ability of the state to protect these producers in any significant and sustainable manner.

Between 1995 and 2004, farmer suicide increased from 10,730 a year to peak at 18,241, before declining to approximately 14,000 in 2012. Farmer suicide is geographically concentrated. Three quarters of all cases of farmer suicide have been reported from only five provinces located in South India: Kerala, Karnataka, Andhra Pradesh, Maharashtra and Tamilnadu.

The phenomenon of farmer suicide, as indicated earlier, can only be explained within a multi-scalar framework, which takes into account the globalization of Indian agriculture and associated international competiveness of farmers, and the limited ability of the state to mitigate the effects of these pressures.

Farming costs have been going up. One reason is that there is a relative reduction in state subsidies for farm inputs. For example, the state has been withdrawing fertilizer subsidies, reducing them at the rate of 7.8 per cent between 1995 and 2010. Indeed, the subsidy is declining at an increasing rate. This has contributed to rising costs for farmers. In fact, the farmer suicide trend follows the trend in the overall government expenditure for agriculture. The cost of other inputs (e.g. seeds) has also been increasing, along with rural living costs, including health care, which has increasingly been privatized.

On the other hand, farmers' incomes have been decreasing. The share of agriculture and allied sectors in GDP has dropped from 27 per cent in 1995-1996 to 14.1 per cent in 2011-2012, while the share of the workforce directly dependent on agriculture sector remained at 58 percent. Crop failures are regular due to drought, which is happening once every three years or so. The effects of drought are severe because of the state's failure to provide adequate irrigation facilities. About 70 per cent of farmland still depends on monsoons.

Farm prices are relatively low. One reason is that the government is no longer buying farm products at remunerative prices. Also, with import liberalization, cheap and subsidized foreign products flood the market, leading to a fall in domestic prices. Non-food crops (e.g. cotton, coffee, pepper, cardamom) are especially affected as they are more commercialized and are more export-oriented. As a result, areas with a higher proportion of land being used for these crops experience more farmer suicide. Farm productivity in India is relatively low in the global context -- and the state's withdrawal of input subsidies contributes to this -- thereby adversely affecting farmers' international competitiveness.

The combined result of all these factors is that farmers are experiencing high levels of indebtedness. The decline in credit facilities from government sources has contributed to this, as farmers rely more on private lenders who lend at usurious rates. Increasing indebtedness, along with the threat of the loss of their land, which is a source of economic and symbolic value, is compelling many farmers to commit suicide. In some areas, farmers committing suicide are three to four times more indebted than those who have not committed suicide. This means that economic distress caused by the difficulties discussed above are being translated into emotional trauma among the vulnerable sub-groups.

Asia Research Briefs

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