

Slumdogs vs Millionaires: India in the Age of Inequality, Farm Crisis, Food Crisis and the Media*

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Abstract

The last 15 years have seen the celebration of the Indian economy as an emerging tiger. And certainly, this is a very different country today from what it was earlier. However, the many achievements and advances have come at a high cost. Inequality in India has grown faster in the last 15 years than it has at any time in the past 50 years. The National Commission for Enterprises in the Unorganised Sector (NCEUS) tells us 836 million Indians live on less than Rs 20 a day, even as the number of dollar billionaires has doubled in five years. The country faces its worst agrarian crisis since the eve of the Green Revolution. Official data show us that over 166,000 farmers committed suicide between 1997 and 2006. Farm incomes have crashed and millions have quit agriculture without proper alternative options. Meanwhile, the media who ought to play the role of informing the public about the direction society has taken are more disconnected from the masses than ever before. Which way are we headed? And can we as a society act differently?

Every year, for almost 30 years now, the United Nations (UN) puts out a sort of bill that tells us how, for instance, with ten billion dollars a year, every human being will have access to sanitation. Each year, the UN Secretary General tells you what it would cost to end hunger-additional spending of around 15-20 billion dollars

each year. To solve the problem of potable water for all, UN researchers tell us that it would cost about 10 billion dollars of further expenditure per annum; 15 billion dollars would provide health to every human being in the world while another 15 billion dollars would send every kid on the planet to school.

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We all know these numbers. They are published every year. But what makes them interesting today? While you have been told that with an additional expenditure of 60 billion dollars a year, the human race can solve its most basic problems, this hasn't happened for 30 years because governments tell us there is no money for the two and a half billion people on earth that need it. But when Wall Street collapsed last year, suddenly the governments that could not find 60 billion dollars a year, found one and a half trillion dollars in one week.

When a bunch of CEOs and criminals drive the financial system off the cliff, we have bailouts in Europe, in US and in India, totalling trillions of dollars, all of which were arranged in a few months. Suddenly there is money. When it comes to the needs of the rich, there is always money. Just look at your own country, where it doesn't matter how people are doing, but it matters how the Sensex is doing in Mumbai. When the Sensex was climbing up towards 21,000, it was all joy and glory. Then it sank to 9,000, thanks to a range of factors, including the global recession. Within weeks, the Government of India had released two formal stimulus packages—not for you, but for the country's big companies—and a third informal package, disguised in various administrative orders, and a fourth package in the interim budget. Tens of thousands of crores became available overnight, when Dalal Street's billionaires ran into trouble.

It took ten years and 1.82 lakh farmer suicides for a Prime Minister of India to visit a farm household in this country to find out what was wrong with

the farmers. But when there was so much as a tiny twitch in the Sensex, former Finance Minister, Mr. Chidambaram would be in Dalal Street the very next day, even when Parliament was in session. While it took ten years for the Prime Minister to acknowledge that there was a massive agrarian crisis. It was eleven years before some kind of a relief package came into play (only for Vidarbha in specific terms and for all others only in terms of the loan waiver). For Dalal Street, when the corporate world ran into trouble, it took no little or no time for the first two stimulus packages—worth a lot more money per capita than the farm packages—to roll out.

No world that is so unequal, so disparate, so iniquitous, can be sustained in that fashion. This is one of the lessons you need to draw from the meltdown of Wall Street. It was impossible and inconceivable that a country could continue to function with CEOs salaries exploding at the one end, and the wages of working people actually contracting for years at the other end; working people who were then supposed to buy the products that companies are putting out while contracting salaries and wages.

There's no way the meltdown could not have happened. Anyone, even a child, could see that a system so unequal couldn't be sustained. You would have to be an economist to believe that it could. It's ironic: the same experts who never once predicted there was going to be a crisis, the very same jokers, are trotted out night after night on television as experts who tell you what went wrong and how to save your money (after it is lost). Now, these economists and experts

give you acute analysis. But they didn't predict any of it for ten years, the great exceptions being non-mainstream radical economists. Did you really think that the meltdown was something that happened overnight while you were asleep? It took decades of carefully constructed policies and frameworks to land the world in the mess that it is today and none of these champion economists could even hint that this was going to happen. What is their credibility? They do not even have the grace to say they didn't know a damn thing when the crisis happened.

The last 15 to 20 years in India have been the period of the greatest inequality that the country has ever seen in the sixty years since independence. There has never been a period with sharper divisions between regions, peoples, classes and castes. Now we all know that India has had inequalities and disparities for a very long time. So what makes the last 15 to 20 years different?

There is indeed a very serious difference between the inequality of the last 15-20 years and the one preceding it. Inequality existed for the first four decades after independence, too. And as an independent nation, you tried addressing it. All the data show us that inequality actually declined in the first 40-45 years since the country gained her freedom. Then it started growing sharply from the early '90s. The difference is that while inequality may have existed earlier, never in our history as an independent nation has it been so cynically constructed, so ruthlessly engineered by conscious design and policy.

The trickle down theory of economics, whereby you accumulate wealth at the

top and it will seep down below, has been a favourite in this era. The trickle down theory is simple. All the food there is has to be on my table. But since my table cannot accommodate all that food, a few crumbs will fall off, and you guys get to eat.

Let's step out of India for a moment. If you look at the U.S. Bureau of Labour statistics, you will find that the United States is now losing about a thousand jobs per hour with the recession. There has not been one month in the last five when it has lost less than half a million jobs a month. It lost close to two million jobs in the last three months; December, January and February. We are talking about haemorrhaging to such an extent that you are losing 22-23 thousand jobs every 24 hours. That is not an ordinary situation. By the way, the recession was declared as a recession in the U.S. eleven months into the recession. They're telling you now that since December 2007, there has been a recession, and hey, by the way, you have lost 3.6 million jobs since that time.

Here is something that you ought to know. In the period during the year 2008 that the United States economy lost 3.6 million jobs, corporate CEOs took home bonuses worth 18 billion dollars. How do we even try and solve the problem? By giving hundreds of billions of dollars in bailouts to the very guys who caused the problem?

The biggest bailout in history is given to a company called AIG, the insurance group that has now entered India as TATA-AIG Life. Around September, the life went out of the AIG. It then received a 150-160 billion dollars bailout, the single largest bailout package on the

planet at that time, from the U.S. treasury. What does AIG do with it? It gives out tens of billions of dollars in bonuses to its top executives and holds its executive retreat at a luxury resort in California, where it pays 1,300 dollars a night for a hotel room.

Now 15-20 years ago, you couldn't have got away with this in any part of the world. Nobody has paid the price of such indiscretion. Because that's the sort of world we have constructed in the last 20 years. The last time the planet saw a thousand jobs per hour being lost was at the time the Soviet Union collapsed. In other words, maybe you are not witnessing the collapse of an economy, but the collapse of an entire system. Though we may take a very long time to recognise it, if we do at all in our lifetime. You are witnessing something very large, something historic, in your own lifetime, if you will take a closer look. When last has the leading economy in the world lost a thousand jobs per hour? The trend is awful.

Look at India and the recession. *The Times of India's* front-page headline asks, "What recession?" And its story says we are selling more cars than before. As I flew in yesterday, I saw the front page of Business Standard, which said, "Slow down?" Not if you ask the FMCG guys, they are doing so well. You know, if governments keep on putting huge stimulus packages worth thousands of crores into companies, I'm sure they will do okay, as would the rest of us if we were to get stimulus packages.

According to the Government of India, between September and December last year, when the U.S. meltdown began—I say began because the

meltdown hasn't ended by far—this country lost half a million jobs. Now this figure is as frightening as it is outrageously fraudulent, because they are only counting jobs lost in sectors where it is possible to count, such as IT and a few others, where one can make some sort of estimate.

The jobs being lost by migrant labourers in this country right now are in millions. Let me give you an example that's a good indication of the kind of globalisation that we have built. A recession in the United States leads to thousands of bankrupt homes in a single district of Odisha called Ganjam. Why? In this country, tens of millions of people earn their living as migrant labourers. Odisha has one of the largest populations of migrant labourers because there is not enough work there. Livelihoods of the tribals in Odisha have been destroyed by a variety of factors that are not uncommon in the North-East itself. Increasingly, millions of Oriyas are going out and working in different parts of the country, such as Punjab and Gujarat. There are lakhs of Oriya labourers in Ahmedabad and Surat, mainly in the latter. In Surat, they work in the lowest rung of the diamond industry but in far greater numbers in the textile industry. Basically, these powerloom workers are concentrated in export-oriented units.

Now what happens when there is a recession in the U.S.A.? Export orders fall or vanish. By April-May, there could be no renewals of export orders. So the *maliks* are laying off tens of thousands of workers or reducing their wages sharply while extracting more work from them. Now what happens to those workers who lose their place? They catch

the Ahmedabad-Puri Express and head back to Odisha. Most of them are from Ganjam, which, by the way, is the district from where Odisha Chief Minister Navin Patnaik fights elections. Now we could have upto two hundred thousand people returning to a district that they had left because there was no work. What will happen to the food security in that area, or the public distribution system? Can it cope? What is it going to do to the daily wages of labourers when a quarter of a million additional people land up in the market? What is it going to do to the minimum wage? And this is just one group of affected people.

Hundreds and thousands of workers from Anantapur in Andhra Pradesh have migrated from their hometown for work. Three lakh work in Bangalore and adjacent areas alone, while 40-50,000 are in Tirupati. Many more migrate to other parts of India. What happens when these hundreds of thousands of Anantapur workers from Karnataka and Tirupati go back to their district in Andhra Pradesh? What happens to the daily wages there? The wages sink because there is so much labour, and not enough work? Your National Rural Employment Guarantee programme would have to increase to six or seven times its present size to cope with the extent of stress and disaster.

When you are talking of records of low-level rates of inflation, please notice what has come down. The food prices have not come down though the oil prices may have. You know, India is one of those economies which defies the logic that what goes up must come down. When it comes to food prices, just mark the graph since 1991.

When I was in Mahbubnagar, the poorest district of Andhra Pradesh, last May, the temperature, by Mahbubnagar standards, was a pleasant 46° Celsius, because it gets hotter than that. The price of food went up 45 per cent on average between 2004 and 2008. The price of wheat, has gone up by 62 per cent in that time. (And all of them have risen further in the past eight months.) Do you know what that did? It wiped out the pensions for all the senior citizens.

We wrote about this in *The Hindu*. People in their seventies were returning to work at the NREG sites because there was no food at home and their old-age pension was only Rs 200. What would you buy with rupees *two hundred a month*? A kilogram of rice, a kilo of arhar dal and a few other things thrown in, were enough to wipe out your two hundred rupees, especially since *dal* was Rs 65 a kilo.

When poor households have a food crunch, widows and the elderly get totally marginalised as they are seen as non-productive. I was interviewing a 74-year-old man, at 46° Celsius, breaking stones in Mahbubnagar.

At this moment, as the B.M.Pugh memorial lecture is going on, what is happening in Southern Rajasthan, where there is a large concentration of very poor tribals? In Kotara *Tehsil* of Udaipur, for instance, these people are so poor; they walk across the border for 40, 50 and even 60 kilometres into Gujarat to find work. They work for a week and come back with some money. Now in this period, the landlords are laying them off, just before the harvest. Why? So that they will not have to part with a share of produce to that labourer.

Traditionally, you give one-fifth or one sixth of the share of produce to the labourer.

Do you know how the tribals of Udaipur manage their hunger? In one sense, it is horrifying but in another sense, it speaks well of the tribal culture and its sense of collective preservation. What they are doing is quite appalling; you can call it 'rotating hunger'. A family has eight members and they are now so low on nutrition that it is hard to do the physical labour that is required. So what do they do? Two members of the family eat well today while the others virtually starve, so that those two members of the family can go out and work. The next day it's another two, the third day it's yet another two. I call it rotating hunger. But in the process they are trying to look out for all eight members of the family.

It is just outrageous that people have to go through crop production. Last year, I don't know whether or not you remember this, when the food prices were rocketing, President Bush made an announcement that there was an increasing food crisis in the world because Indians and Chinese were eating too much. Let me tell you, our own leaders and economists were quite pleased with this, because it showed what a success story we were. There were newspapers in this country that wrote editorials saying President Bush is speaking the truth, though we don't agree with him that it is a bad thing, we feel it's a good thing, as it shows how well we have been doing — and similar blather.

Here is a simple fact that every Indian needs to know. It's frightening that, from the mid to the late nineties, for the first time in our history, the rate

of growth of food grain production is consistently lower than the rate of population growth in the country. That has not happened in the first 30-40 years of our history. It happened from the mid nineties because of the kind of development framework and policies we adopted from the early '90s, specifically from 1995. You can mark that during the '50s, '60s and '70s, there may have been one year or two when there was a drop in food production. But never has there been such a steady decline and drop, promising catastrophe, as this one. If you take five year or three year averages at a time and check the rate of growth of food production from the mid nineties, it is lower than the rate of growth of population. The great gap has widened. This means that our nation's food security is in an extremely fragile and delicate state.

The great achievement of independent India was self-reliance in the food sector. We made ourselves self-sufficient, and now we have endangered that. Also, please note that the rate of growth of food production is lower than the population growth rate, in a period when the population growth rate has been declining, not going up. And we talk of record food production! I love it whenever they come to these things. They give absolute numbers, not percentages. 210 million tons record foodgrain production, they say. So next year, if it is 210.1 million tons, is that another record? What is it per Indian? What is it per capita? Please tell us those numbers, give us the percentages.

I will tell you what they are. In 1991, when this country set out on the great new economic policies that we celebrate,

the net availability of food per Indian (i.e., cereals and pulses) was 510 grams. What was the last figure available? The final figure on the net availability per Indian is 422 grams in 2005-06. Does this mean that there is a fall of 88 grams? No, it does not. It is a fall of 88 grams \times 365 days \times 1 billion Indians, which translates (as Prof. Utsa Patnaik has repeatedly pointed out) into the average family consuming 100 kilograms of food grain less than it did 10 years ago.

Now we know that all of us sitting in this room are not consuming less. While the cake is shrinking, most of us sitting here are eating better than we ever did 10 years ago. The question is, if the cake is shrinking, if the food available per Indian is shrinking, and 15 to 20 per cent of the population, including all of us here, are eating better than we did 10 years ago, what the heck are the bottom 40 per cent eating? You get the answer when you see a 74-year-old man coming out to break stones in 46°C. He has no choice. He has a horrible lower back problem and he can hardly stand for more than two hours (so they try to give him less arduous work than that, but it is still too much for someone at that age and so severely undernourished most of his life).

In this great success story of India Shining, India's child malnutrition figures are the worst in the world. If you look at U.N. data on the percentage of underweight children below the age of 5 in the poorest societies of the world, the figure works out to 25 per cent in Guinea Bissau, 38 per cent in Burkina Faso, Sierra Leone has 27 per cent, Ethiopia 38 per cent, and India 47 per cent.

But the difference between India and those countries is that there isn't this

extraordinary super rich class in the latter. None of these societies doing so badly (yet better than us on such indicators) had our kind of growth, resources, or skills. We do not have a single one of the excuses that they do. But we persisted with the creation of structured inequality, till by 2007—the peak year—we arrived at a situation where India ranked fourth in the world, until two weeks ago, in the number of dollar billionaires.

With the figures I am giving you, you could call this lecture 'Slumdogs versus millionaires.' The numbers I am giving you on human development are from the United Nations Human Development Report, those on food are from the Government of India, and the numbers I am giving you on billionaires are from the Forbes Billionaires List.

By 2007, this country ranked 4th in the world in the number of dollar billionaires and 128th in human development. Unfortunately, because of the recession, there has been a blood bath in your billionaires, who are now down to 24. But if you think that's fun, you have fallen from 128 in human development to 132.

In the human development index that United Nation creates each year, ranks countries according to particular parameters on standards of living, which involve the mass of people and not only the elites of the capita income. In addition to GDP per capita, it also looks at how countries are faring in education, nutrition and life expectancy. At rank 132, where does software superpower India figure in the list of nations? Who is above us at 131? Bhutan. At 130, there's The Republic of The Congo. Even Bolivia,

the poorest nation in Latin America, is about 20 places above us, while Vietnam, a country that fought a war for thirty years against the most powerful armies of the world, is way above us. China is at 94, Cuba is at 48, and we are at 132. Again, consider that many countries, far poorer than us, who have never had anything like our growth rates, have performed better than us. Bolivia, Bhutan, The Republic of The Congo, all are in that category.

Also very important is that the wealth of our 53 billionaires — now down to 24 — accounted for 31% of our GDP. If you look at the Forbes list in 2007, before the meltdown, the wealth of our 53 billionaires came to 335 billion dollars, which is about one-third of your GDP.

Now four of the world's ten richest men are Indians—the two Ambani brothers, Mr. K.P. Singh of the DLF and Mr. L.N. Mittal, of course. By the way, two of them live in the same city as I do. One of them, Mr. Mukesh Ambani, is engaged in the pleasant exercise of building the costliest residence on the planet with 27 floors, a theatre, three helipads and 600 staffers and parking for 168 cars. Even the 27 floors are unusual for they will rise, in one estimate, to a height equivalent to that of a regular 60-storeyed building. This, in Altamount Road, where the real estate values can match or exceed those of Manhattan, New York.

Now *The Times of India*, which is the other great chronicler of wealth, did a 90-day test in 2007, about what the ten richest men in the country earned in 90-180 days. They added 65.3 billion dollars to their existing income, i.e., they were adding 30 million dollars an hour,

or 700,000 dollars a minute, to their income. It is not clear from *The Times* report whether this was for 90 or 180 days. Even if it were the latter, that rate of earning would \$350,000 a minute.

At the other end of the spectrum, 836 million Indians live on less than Rs 20 per day. That fact and figure appears on Page 1 of the Report of the The National Commission for Enterprises in the Unorganised Sector.

If you think that is shocking, 237 million of those get by on Rs 9-12 a day, at a time when 53 individuals have possessed a wealth equal to a third of your GDP. You cannot sustain that kind of inequality. You can do it for a while — then it goes bust like it did in the United States of America, which is our role model. Not only will we faithfully imitate its positives, but we are also proud of imitating its negatives.

When you are talking about ten people adding 700,000 dollars a minute to their income, you are talking about the highest rates of earnings in this country's history. But please compare that with agricultural labourers who make up 45 per cent of the poorest in this country. Are they earning seven hundred thousand dollars a minute? The maximum you can earn on the NREGA, which is the best pay an agricultural labourer can get, is a dollar and fifty cents, maybe just over two dollars a day in very few states, but not more than that. That's Rs 90-110.

And the wages of the agricultural labourers do not change by the minute of the day. On the contrary, every 8 or 10 years, there is a new minimum wage announced in a state after much fighting and struggle. How much has the wage of

an agricultural labourer moved in the last 10 to 20 years, never mind minutes?

So, while 53 people accounted for 31 per cent of GDP 836 million lived on less than Rs 20 a day. It shows you what a fraud your poverty line is, because less than a third of those 836 million people are considered below the poverty line in this country. To achieve that distinction, you have to earn less than twelve rupees a day. If you are earning eighteen rupees a day in Mumbai you are above the poverty line in official reckoning. Try living on that in Mumbai, one of the costliest cities in India.

It is absolutely fascinating, if you look at the NCEUS (Chairman Dr Arjun Sen Gupta) report, how the gap between the super rich and the merely rich or better off is greater than the gap between the rich and the poor, because the level of concentration is so fantastic. You know what it takes to be in the top 5 per cent of your country? If you spent about Rs 15,000 last month, you'd be in the top five per cent! That's because the obscenely wealthy, the super rich, account for much less than one per cent.

But the report also tells you that 79 per cent of your country's unorganised workers are in the group of 836 million who "get by" on less than Rs. 20 a day. And 88 per cent of all *dalits* and tribals are in this 836 million. So are 85 per cent of all Muslims. So here you are, in a country where a new restaurant opens every day in one metro or the other, but food per Indian has fallen from 510 grams to 422 grams.

This is the country that constantly boasts of medical tourism. But do you know what the National Sample Survey (NSS) Organisation figures tell us?

According to official data, more and more people are coming from the U.S.A. to get operated at places like the Lilavati hospital near my house in Mumbai, because it is a lot cheaper than it is in the States. What does it mean for Indians? The NSS data tells me that close to 200 million Indians have given up seeking any kind of medical attention because they cannot afford it. We are not talking of Allopathy, Homoeopathy or Ayurveda, but how, across the board, 200 million Indians no longer seek medical attention.

There is another list, apart from the list of billionaires and the list on medical tourism, one list that you can't beat us at, where we remain away above the United States. It is the list of costliest weddings in the world. Another achievement for India last year, as we declared a record food output, was that our country fell to rank 66 out of 88 nations in the world in the Global Hunger Index (GHI) of the International Food Policy Research Institute in Washington D.C. Now all this inequality was achieved in the space of 15 to 18 years.

If you compare the 1991 census and the 2001 census, you will find that eight million people have quit farming. Where did they go? What are they doing? We don't know, because neither the Govt. nor the media have bothered to take any account of them. They are human beings, they are our fellow citizens. Don't forget them.

Well, if you want the actual figures, in 1991, the number of cultivators in the census was around 111 million, while in 2001 it fell to about 103 million, a drop of 8 million people. We know that they didn't all die, as that would have been

reflected in mortality figures. So where have they gone? I am willing to bet anything that when the 2011 census comes out, two years from now, this figure of by million will be dwarfed by the fact that far more people will have been forced out of farming since then, without guns, without bazookas, without tanks, but simply by making agriculture so unviable for small family farms that they live in despair and destitution. You raise the price of everything and commercialise everything. And the hyper commercialisation of agriculture has taken place, handing over its control to corporations.

Now where did those 8 million people go? Did they go to the cities and get jobs? No. The job trend in manufacturing has seen on a sharp decline for the last 15 years. Let me give you two examples of companies that you are all familiar with. Let's take TATA's Jamshedpur Steel Plant. In 1991, as Aseem Shrivastava (*The Hindu*, May 20, 2007) points out, it produced one million tons of steel with 85,000 workers. By 2005, TATA was producing five million tons of steel with 44,000 workers. So "While the output multiplied five times, the employment got halved." Or take Bajaj, one of the largest manufacturers of two-wheelers in the world. In the mid '90s, Bajaj was producing one million two-wheelers with 24,000 workers. By 2004, it was producing 2.4 million units with 10,500 hundred workers. That's less than half the original workforce and more than twice the production. So obviously, the people who left farming did not find jobs in industries. I'm afraid a landless agricultural labourer or a newly landless farmer who has forfeited his land in debt

is not going to be absorbed by INFOSYS. So where did they go?

It is one of the greatest stories of our times if journalists want to look at it. The International Labour Organisation's report on Asia Pacific tells us that between 1997 and 2005, labour productivity in India rose 84 per cent but the real wages in manufacturing fell 22 per cent. Of course, most of this rise in productivity comes by retrenchment, and throwing people out of work using technology. So now the NCEUS also tells you that the rate of labour absorption actually turned negative in the years of our greatest successes. And now we are 132 in human development.

How did we arrive at this situation? Across the world, in the last 20 years, governments have adopted virtually the same stimulus package. You can call it globalisation, neo-liberalism or whatever else you want. But if you want to translate it into policies, you need to know the policies adopted by most governments across the globe.

Withdrawal of the State : Number one, withdrawal of the state from sectors that matter for poor people. The state did not withdraw from the rich. Instead, it become more interventionist and more aggressive on behalf of the rich. On the one hand, the government doles out stimulus packages for industry in days, while on the other hand, it takes 10 years for a Prime Minister to visit an agricultural labourer, a farm household.

Expenditure cuts : The second process involved gigantic expenditure cuts on sectors like health and education, across the board; the slashing of subsidies and life supports of people, the way it happened with cotton

farmers in this country. Last year, when the meltdown began, California, which is the 13th largest economy in the world—if you treat California as a nation—was cutting billions of dollars from health, education and nursing services, at a time with the United States was spending 3 trillion dollars on a war in Iraq, an unjust, unwanted, absolutely irresponsible war, and more billions on a war in Afghanistan. Nobel laureate Joseph Stiglitz has written a book called “The Three trillion dollar war.” The U.S. has money for war, but its universities and other institutions are suffering huge cuts, and tens of thousands of kids will not be able to go to universities and community colleges this year.

Wealth transfer, a third process : The rapid transfer of wealth from poor to rich. Who destroys the economy? The fat cats, the super rich. Who is giving them money to live? The government. Whose money are they giving? Your money. Taxpayer money, public money. In the U.S. public money is going to bailout AIG, so that you can have another meeting at another holiday resort at a \$1300 a night, for its executives.

Corporate Power : The next process, and this is central to what has happened in the last 20 years, is the unbridled, unrestrained rise of corporate power—the power of large corporations to lobby, to make policy and to shore up or bring down governments. It is no secret that just before the trust vote on July 23rd last year, the Prime Minister invited both the Ambani brothers to his office to talk to them, after which the Samajwadi Party, for the first time in the history of the Socialist Party of India, voted for the Congress. No Lohiaite Party has ever

voted for the Congress before, but it happens after the two Ambani brothers meet the Prime Minister. Now you can put your two and two together and come out with 22 or four or whatever you please, I leave that to you.

The unbridled rise of corporate power is such that when 3.65 million people were laid off jobs in the U.S., companies could give themselves bonuses of 18 billion dollars for the CEOs around the same time. And after the meltdown, they could continue to give bonuses from bailout money coming from a bankrupt society and bankrupt people.

The imposition of user fees and costs in government hospitals and in government educational systems, which poor people could not afford, was another of these processes that came about almost everywhere in the world. There was a mindless deregulation of just about everything.

The privatisation of everything : There’s another critical process that I call the privatisation of everything including intellect and soul. These days, there is a very popular word in vogue. We describe somebody who stands up for something as a public intellectual. I’ve never understood this. Maybe we have to use the word public intellectual, because so many of our intellectuals have gone private. I mean, they are working for some think tank, for some corporation, for some company. Well, do you know what all we have privatised in this country? Maharashtra has now privatised the river and the dam. Chhattisgarh was the first state in the country to privatise the river—Sheonath. Well, maybe these governments got so tired of selling people down the river, so

they decided to sell the river.

But let me tell you that Bombay is the trendsetter in privatisation. You know that on every Indian railway station, there are little kids who sit polishing shoes, the shoeshine boys. In Bombay we privatised that space, too. What do those kids earn? They earn maybe 100 rupees a day, out of which they pay a huge chunk to the *local dada*. Then various other predators take their cut, so the kids go home with Rs 35-40 in a city like Mumbai. We privatise those tiny spaces at 15 lakhs per shoeshine space. A wonderful story done by a young reporter named Rukmini Srinivasan in *The Times of India* got the whole thing thrown into the cooler, but it shows you what their intentions are, and the intentions of the government.

The growth of inequality : The next process is the stunning rise in inequality, which we have described, and finally, the dominance of the ideology, I call market fundamentalism. It is as religious a fundamentalism as any other religious fundamentalism. It's only worse because it contributes millions of recruits to all those religious and other fundamentalism by destroying millions of lives and livelihoods.

According to the National Crime Records Bureau, at least 182,936 (one hundred and eighty two thousand, nine hundred and thirty six) farmers committed suicide over eleven years between 1997 and 2007. Let's look at the emerging trend, by dividing these eleven years into five years and six years. The rate at which people were killing themselves in the second six years is much higher than the rate at which they were killing themselves in the first five

years. The trend is relatively worse. Over the second six years, it works out to an average of one farmer killing himself or herself every thirty minutes.

What are you seeing on your front pages? IPL. The only thing that matters seems to be whether the Indian Premier League is played in England or in South Africa. And your media are so obsessed with it. For the first time, I've seen them being so critical of Mr. Chidambaram, who is otherwise a media darling, (he speaks with the right accent). For the first time, he is actually saying the right thing; that the elections are far more important. The security issue is important enough to make us hold elections in five phases. It would be foolish to attempt to hold the IPL at the same time. But you should see the media bashing of the government on the issue of how they let IPL go out of India.

There are lessons for us to learn from the fact that farm suicides in the Eastern and the North Eastern parts of India are very low. I cannot say that you are onto a good thing. I can only say that you are not onto a bad thing. I'll tell you why. Two-thirds of these suicides in India occurred in five states which have a very similar model of farming. These five states account for one-third of our population, but two-thirds of our farm suicides—Maharashtra, Karnataka, Andhra Pradesh, Madhya Pradesh and Chhattisgarh. Kerala, too, has high numbers, but it is these five that top the list and make up two-thirds of all farm suicides in India. Now farmers' suicides are occurring at an astonishingly higher rate than general suicides. Maharashtra, the richest state in the country, has had 40,000 farmers'

suicides since 1995, and 37,000 since 1997. And Maharashtra is home to 21 of the 53 dollar billionaires had in 2007.

What do these five states have in common? Overwhelmingly, these suicides are of cash crop farmers, not food farmers. Overwhelmingly, these are chemical farmers who use a lot of pesticides, lots of high cost inputs, and either Bt cotton or other kinds of seeds manufactured and controlled by multinational corporations or large Indian companies. These are farming models that have been given to the over-use of fertilizers and excessive use of pesticides, a model that is far less seen in the Eastern and North Eastern States of India.

In Andhra Pradesh, my home state, we have some of the most fertile land in the planet. And yet, in the Godavari delta, we use well over two times the national average of fertilizers. Farmers in this region have got locked into a model that's killing the soil and erasing the nutrients, and the more they do it, the more fertilizer they are going to need, the more chemicals they are going to use the next year. You in the North-East have not fallen into that trap, not anywhere near to that extent anyway, and please don't get into it. Improving agriculture and productivity is a must, but don't think this is the only route.

What was the driving force behind these suicides? Debt. In the period when we doubled and tripled and quadrupled the number of billionaires in the country, the indebtedness of the Indian peasantry doubled from 26 per cent of farm households in 1991 to 48.6 per cent by 2002 and by much greater numbers by 2007-2008, before the Government of

India came up with its loan waiver.

Why did people get into such debt? Very much as a result of the economic policies that successive governments have adopted since 1991. The typical World Bank IMF Formula for poor countries to do better was to shift from food crop to cash crop, which can be exported to hard currency countries. So in this country, a nation of subsistence farmers, agricultural labourers, small and marginal farmers, we shifted millions of farmers from food crop to growing vanilla, cotton, sugarcane and all sorts of other cash crops, using credit as the bait.

The risks in growing cash crops are incredible for a very poor or small farmer. I am telling you, there are a lot of things that haven't yet happened to you, but they will, if you do not watch out. Let me tell you about the cost factor. Let's take the year 2003, the vanilla boom period in Kerala. It then cost Rs 8,000 to cultivate one acre of rice in Kerala, and even less in eastern states like Orissa. Now that farmer growing paddy gets shifted to vanilla. Do you know that the cost of production of vanilla for one acre was? Almost Rs 150,000. So *his costs have gone up 16 times*. What does it mean? It means his borrowing too, goes up many times. The loans he is taking go up also perhaps 16 times, the risks he is taking go up 16 times, so when he goes bust he can never repay.

Most of these farmers who killed themselves were cash crop farmers. Often, they were people who had cultivated food crop but had made the shift from food crop to cash crop. They got into very extravagant cash crop cultivation, which they grew without the

security of an internal market. So the shift to cash crop by policy was a disaster for millions of Indian farmers. Who consumes vanilla in this country? Of world consumption of around 2700 million tons each year, about 1900 tons (or over 70 per cent) is consumed in the United States.

When we herded them towards cash crop, we threw a bunch of subsistence farmers into the whirlpool of volatility of global prices in that sector, which are controlled by a handful of corporations—Cargill, Monsanto, etc., and we let them pay the price of our decisions.

For years now, the suicides have been occurring swiftly. Now we even record more than one in the same household in some cases. After the husband kills himself, six months later the wife takes her life, or the youngest daughter commits suicide. It is appalling. I don't want to narrate to you the kind of experiences that I have had.

But it is not just about farming, it is about the predatory commercialisation of everything. Let me give you an example. I was once so pleased that in Andhra, while I was in that state, a farmer was rescued from a suicide attempt. Usually, I always land up to cover the body. But this guy was rescued by his friends, who hoisted him onto their shoulders on a cot and raced 5-6 kms across the field, breaking their shoulders with the man's weight on a bed, which they carried till they got him into a jeep and rushed him to a hospital.

And yet in the hospital, he was abusing the friends who had saved his life. It was in very colourful Telugu that he was describing their ancestry and everything else. I just could not get it.

We told him in Telugu that his friends had saved his life. "Your wife, your children, they owe something to these people, why are you abusing them like this?" we asked him.

He looked at me with utter contempt and said, "You don't get it. Why did I try committing suicide? Because I had landed a debt of Rs 100,000 over four years and could not repay it. Now these friends come and rescue me and they bring me to a hospital. It took me four years to develop a debt of one lakh rupee in farming, but with four days in this hospital the bill has come to Rs 49,000. Why the hell didn't they let me die?"

You know something, if I give you a map of India, which shows the indebtedness of farm households state-wise, and I give you a map of farm suicide households state-wise, they fit like hand and glove. Andhra Pradesh, if you remember in the early 2000s, had the highest number of suicides. There, 82 per cent of all farm households here were in debt. The figure stood at 65 per cent for Kerala and 62 per cent for Karnataka. Wherever indebtedness was highest, there were suicides taking place. Why was the indebtedness so high? Because we moved to a particular kind of farming and we 'deregulated' the markets and input prices.

It used to cost Rs 2,500 to cultivate one acre of cotton in Maharashtra in 1991. I am not speaking of organic farmers but of your typical Green Revolution farmer. Today it costs the same person Rs 13,500. So the cost of cultivation has gone up more than 400 per cent, while the income of the farmer has fallen. And we have done nothing to prevent the United States and Europe

from dumping their highly subsidised cotton in this country — millions of bales — over the last few years. We do nothing to protect our own marginalised and starving producers. You can import cotton at zero duty now, though India is the second largest producer of cotton in the world.

Do you know how high the subsidies given to cotton producers in the U.S. are? While the total value of cotton production in the U.S. in 2005-2006 was 3.9 billion dollars, the subsidy was 4.7 billion dollars. The European Union matched those U.S. subsidies for its own producers— so that cotton coming into India is in some senses virtually free, and it destroys the prices of our cotton farmers. Because our government is not willing to raise import barriers against the dumping of highly subsidised goods, even though this would be legitimate even under existing WTO rules.

But too many people have been bought out. Half of the agricultural ministry appears to work for someone else, not for this country. When looking at the subsidies of those countries, you can see that the daily subsidy on a cow in Europe comes to 3.25 dollars a day, more than twice of what you earn on the NREG for nine hours of work.

My friend, Vijay Jawandia, the leading agrarian intellectual of Vidarbha, summed it up brilliantly. Interviewed by a young journalist who asked him, “Mr. Jawandia, what is the dream of the Indian farmer?” he replied, “... the dream of the Indian farmer is to born a European cow.”

Now what is appalling to me is our attitude and how we have reacted to the incredible distress of our times. 182,9236

suicides is the largest single sustained wave of suicides in human history ever recorded. Yet, I would say, don't take the suicides as the *measure* of the crisis; the suicides, horrendous though they are, are simply a reflection of it. There are many households where there have been no suicides, but which are in as bad a shape as those where there have been suicides. The suicides are the tip of the iceberg. They are not the cause of the crisis; they are its outcome, its consequence. They reflect the widespread distress across the country.

And what is our attitude? I've been working on this subject since 2000. I have visited 750 households which have suffered suicides. For the first seven years, there was pure denial. 'This is not happening,' was the attitude. However, we managed after a while to pin down these figures (182,936 farm suicides between 1997 and 2007). And these numbers are entirely from government sources and constitute a gross underestimate, but they are bad enough. They are from the National Crime Records Bureau (NCRB). Finally, the government of India could no longer deny them. Though, it must be said, this does not deter the Chief Minister of Chhattisgarh from denying them. After we released these figures, he released a statement saying that it is not the suicides that should be investigated, but the journalists writing about them. In Maharashtra, the government set up a commission headed by Mr. Narendra Jadhav, to study the situation of Vidharbha's farmers, which dedicated four pages to yours truly, after which I found myself on the front page of the *Mumbai Mirror* under the headline

“Sainath Defames State.” Well, it’s a badge of honour for me.

After seven years of pure denial, Mr. Sharad Pawar finally confirmed the situation on the floor of Parliament (question No 238, Nov 30th, 2007). “Yes it is true,” he says, and he gives a state by state, year by year figure which, to the last decimal and dot, is the same as the figures I had published. (At that point, from 1997 to 2006.) The Union Agricultural Minister finally found some time for a mention of agriculture. Otherwise, he is always on cricket. But he adds one rider when he says, “However, it is not necessary that these people committed suicides due to any causes related to agriculture.” I guess they were very disappointed at being knocked out in the first round of the World Cup in India, so they all took their lives.

Then come the media. In the heart of Vidarbha, in Nagpur, while I’m addressing journalists who had covered the damage, a leading journalist with 25 years of experience raises a question which I’ve been asked a dozen times, based on what the government routinely tells you (and there are some journalists who often act as the PR wing of the government). “Mr Sainath, all these people who committed suicide, did they not do so because they were all drunkards?” he asked me. In other words, the farmers committing suicide did so driven by alcoholism and drunkenness.

I tell you alcoholism is a problem, but if drunkenness and alcoholism are the cause of suicides, my friend, there will be no journalists left in this world. I can speak for Maharashtra, Chennai and

Delhi, but I see that it is not a strange idea here, either. And that man is asking me that question was in a region called Vidarbha.

Nowhere else in the world are farmers committing suicides and addressing their suicide notes to the Prime Minister and the Chief Minister. For example: “Dear Prime Minister, after your visit, my hopes went up. I thought things would change. Then I went back to the bank and they refused me a loan yet again. I cannot take this anymore.” “Dear Chief Minister, you promised us in your election manifesto that you would add Rs 500 per quintal for the price of cotton, but you reduced it by Rs 500 instead. I cannot take this, I am killing myself.” The guy is telling you why he is dying in his own words. You don’t need a deep psychological analysis of the situation.

By the way, the suicide figures are far worse than the official ones I’ve been giving you. You know why? Tens of thousands of people are excluded from the definition of farmer. Can you guess why? Who constitutes the largest group excluded from the definition? Women. Let us not look at a tribal state as an example, but instead, focus on the rest of India. There are no property rights for women by custom. Incidentally, 19 per cent, or nearly a fifth of all farm households in India, are headed by women. And women do most of the work on farms. But when that woman kills herself, it is counted as a suicide *but not as a farmer suicide*, because there is no land in her name. I have had this argument many times with countless *tehsildars*. Their reply remains the same. “Show me the land in her name. How can I call her a farmer?” In this way, large

groups have been excluded from the list and yet you get the largest figure in history — 1,82,936.

What about that credit crunch we are talking about at a time when Mr. Pranab Mukherjee stands up in Parliament during the interim budget and says, “The farmers are the heroes and we have increased farm credit, rural credit.” Rural credit is not the same as farm credit. I can build my giant bungalow in a rural area with rural or farm credit. Mr. Mukherjee said that the UPA Government had tripled credit to rural India. And he shows you a jump from Rs 86,000 crores to Rs 242,000 crores roughly. But, as in the case of foodgrain production increases, he gives you the absolute numbers *and not the percentages*. With your GDP growing at the rate of 9-10 per cent, when you convert those into percentages, rural credit has not gone up. Today, according to the Reserve Bank of India’s journal, rural credit comes to 7.93 per cent of the total credit in this country, for 72 per cent of the population that lives in the countryside.

You know something else? We redefined what rural credit was. And many times, too. So if Mr. Ambani opens a cold storage in Connaught Place in Delhi, he can get cheap credit for it, because it is connected with agriculture, as the cold storage is for vegetables, and vegetables constitute agriculture. Now the farmer growing those vegetables does not get that credit. And many farmers who’ve taken their lives have specifically stated in their suicide notes or before their deaths, that inability to get credit was a major factor driving them to the extreme step of suicide. That’s been the

case under policies followed by the UPA, NDA, and governments prior to them.

The lowest point in my life was when (especially in 2003-04 before some fall in the interest rates) I covered people killing themselves because they could not get a crop loan of Rs 8,000 or Rs 10,000, unless they paid 14 per cent or 15 per cent interest. (Even higher rates of interest in some cases, because they were being given non-agricultural loans — while industrialists are being given loans with low interest rates in the name of rural and agricultural credit.) And then I would go home to my middle class professional existence in Mumbai and find a letter from the bank waiting for me. “Dear P. Sainath, here is an offer you cannot refuse. Buy a Mercedes Benz and we will give you a loan at 4 per cent interest, no collateral.” Where is justice in the world? The people who put your food on your table cannot get the credit for a legitimate livelihood exercise, while others have been given non-agricultural loans as agricultural loans. *Non-agricultural firms can get agricultural credit by saying, “I am selling my Scorpios, and Sumos and Bolero’s in rural India.”* That’s how we meddled with and wrecked definitions of priority sector lending in the Government of India and this has been going on for years.

And what of the loan waiver of 2008? Why didn’t the loan waiver come in while farmers were crying for it all these years? Was it announced in 2008 because this was the run up to the election year? So suddenly the loan waiver was thought to be good idea. You know, I was in that area of Vidarbha when the loan waiver was declared.

While the IPL, being played in

Mumbai using zillions of lights, was given subsidised rates of electricity, Vidarbha was having 17-hour power cuts at a time when children were gearing up for their school examinations. Even the *Panchayat Bhavans* in the villages of Vidarbha had no lights. You can imagine how lakhs of children performed in those examinations, compared to their Mumbai counterparts who had a much better situation. Even earlier, by the end of 2005, the government had put up a list of institutions exempted from power-cuts. Schools were not exempted, but fire brigades were. So was the army. One very interesting institution that was exempted from powercuts in Vidarbha were the post-mortem centres. Because they were reeling one body in, every six hours by the end of 2005.

I am a city guy. I was born and brought up entirely in the city and I had no link with rural India until I started visiting there from the '80s and living there since the mid '90s. It is just appalling; in the absence of credit, whom do you turn to? The moneylender. Whole new classes of moneylenders have come up. The old village *Sahucar* cuts a rather pathetic figure in Maharashtra today, as much bigger forces have come into play.

The other day I addressed a meeting of RBI Programme Officers and was able to name systems of credit that they had never heard of: like *Khande Palat*. You know what it is? Let's say Patricia here is a farmer and wants to take a loan from the bank. However, he owes the bank Rs 50,000 because his crop was ruined last year and the last four years have been bad. So Patricia goes to the bank manager, (let's say that's Dr Bhattacharjee), and says give me

Rs 65,000 for my seven acres. He says, "Oh yes, absolutely, not a problem, just give me back the Rs 50,000 that you owe the bank." So he comes to the moneylender. Let us say that's me. I give him the Rs 50,000. This transaction takes two minutes with all present. There is a link between the bank manager and the moneylender — a paying out of a commission. So the bank manager gives Patricia Rs 65,000 and he gives him back Rs 50,000, so he is left with only Rs 15,000. You know what my cut on that is? You cannot even calculate this interest rate! I get Rs 2,500! The transaction lasts two minutes, not one year. Now he has got just Rs 12,500 to cultivate seven acres with.

This was the case with one Gosavi Pawar, head of a *Banjara* (tribal) clan in that region. While he faced this sort of bankruptcy on the one hand, he was presiding over three weddings in his clan. They were clubbing all their weddings together to save money. You know, the *Banjaras* are nomadic or semi-nomadic. They were coming from all over the country, from Karnataka, Rajasthan, Gujarat, to this part of Maharashtra for the weddings, and Gosavi Pawar was the *bada pitaji* or clan father. He was like the father of all the girls who were getting married, though none of them were actually his daughters.

Now, his agriculture is down and he is not able to raise money for the *saris* for the weddings. Humiliated by the moneylender, Gosavi Pawar takes his life. After that came something very sad, but again, something so good and wonderful about the tribal culture. It was inspiring, though heartbreaking. The tribal elders gathered around and said

that the clans had come from very far and so these weddings must take place, otherwise there would be further bankruptcies (and maybe further suicides). So they persuaded the grooms and the brides to go ahead with the weddings though they were dead against it, because their *bada pitaji* had died.

Now no one had the money. What followed was unique. Some of the poorest people in the world queued up to contribute Rs. 5 or Rs. 10 or Rs. 20, half a kilo of rice, one kilo of *dal*, one old *sari*, one new *sari*. And they conducted those weddings. And at that time, I opened a magazine (an outdated old paper that was lying around in our car) and found myself reading about the costliest wedding in the world, that of Mr L.N. Mittal's daughter in Paris. Wedding houses were very difficult to get in Paris at that time, poor chap. So he hired the Palace of Versailles instead and held a sixty million pound (or dollar) wedding there. And here I was, watching simple people, ordinary people, stand up for each other to help conduct those weddings. The saddest part was when the wedding *baraat* took place and one of the nieces and the husband went out towards the main road as the funeral procession of Gosavi Pawar was coming from the other end. They met each other midway. It is the first time, and I hope the last time, that I saw, in 24 hours, three weddings and a funeral in one household.

If you look at the priorities of our media, none of these crisis are being reflected. If you look at the study done by the Centre for Media Studies (CMS) in Delhi last year, across six channels and six major newspapers, you see that

agriculture's share in some of these major channels in 2005, 2006 and 2007 is 0.1 per cent, 0.6 per cent, and 0.19 per cent. Why did it suddenly go up to 0.6 per cent? Because that was the year the Prime Minister visited Vidarbha. The media were not covering agriculture but the Prime Minister. And that gets counted as agricultural coverage. *Entertainment got 9 times the coverage that health, education, environment and agriculture together got.*

At some point of time, we also have to look at our own complicity on this, at the kind of society we live in and what this kind of inequality means. You know, it is very easy in this country to disconnect yourselves from the struggles, sadness and misery of others. There is a long history to it. When Victoria decided to declare herself the Empress of India, she held a *darbar* in this country in 1876, during a period of one of the largest famines in Indian history. And celebrated her ascension with the largest dinner party in history, with 68,000 guests, mostly royalty of various kinds along with their own escorts, so you have a gigantic number of people assembled there, while in Madras and Mysore alone, over 100,000 people died of starvation, while some others were clubbed to death on the barricades the police put up at the cities to stop starving peasants from entering. It sounds rather familiar. Like what you do with demolitions, by throwing out people with no work, who come in from the drought-stricken or otherwise ravaged countryside, onto the streets in the cities.

The questions of inequality are not only economic or political, but also moral. It is also about what we are willing to put up with or stand up against. Or

stand up for. I will refer to just two people who pinned it down correctly, one was Dr Ambedkar, and the other was the great American jurist Justice Louis Brandeis.

Ambedkar made the most prophetic speech heard in the constituent assembly. "Tomorrow we enter an uncertain world of contradictions," said Ambedkar. "We have produced a political democracy without economic democracy. We have produced political equality with

extreme social and economic inequality." One day, he predicted that "The lack of economic equality in democracy would devastate our political democracy." The American jurist and legal thinker, Justice Louis Brandeis, was called upon to hear a petition demanding the abolition of income tax. He threw the petition out saying, "You can either have great concentration of wealth in a few hands or you can have democracy but you cannot have both."