

Punjab opens its heart – and purse – to farmers

Instead of addressing systemic problems in agriculture, farm politics in the state is about how much money the government can offer the farmer as a dole

SANJEEB MUKHERJEE & ARCHIS MOHAN
New Delhi, 3 April

The Shiromani Akali Dal (SAD), led by Parkash Singh Badal and son Sukhbir, was in a dilemma a year before the 2012 Assembly elections in Punjab. The Akalis had ruled Punjab since 2007 but no party had ever returned to power for a second spell since Punjab was created as a Sikh majority state in 1966. The Badals mulled whether they should flirt with their sectarian "panthic" agenda, the politics of Sikh religious identity or focus on development.

The predicament faces the Badals yet again. Five years earlier, they'd defeated anti-incumbency by opening the government's purse strings — pumping money into rural areas. With elections to the state Assembly barely 10 months away, and the Akalis faced with not only a resurgent Congress but the increasingly visible Aam Aadmi Party (AAP) as well, the Badals have plumped for their tried and tested strategy to arrest the 10-year anti-incumbency amid allegations of having run a corrupt government.

The strategy involves wooing their predominantly rural Sikh-Jat-peasant support base by announcing a slew of promises. By taking strict action against radical Sikh groups for holding a Sarbat Khalsa and the events in the aftermath of the "desecration" of the Guru Granth Sahib, the Akalis have continued with their non-panthic secular politics.

Last September, they had also supported a pardon for Dera Sacha Sauda chief Gurmeet Ram Rahim by the Akal Takht, the highest temporal body of the Sikhs. He had angered Sikhs by appearing in an initiation ceremony wearing clothes associated with Guru Gobind Singh, which had led to violence in several parts of Haryana and Punjab. This acceptance of apology and pardon to the godman has kept the party attractive to Dalit Sikhs. Its non-sectarian agenda has also allowed its Bharatiya Janata Party (BJP) ally to remain credible among its core support base of urban Hindu-Khatri-traders.

Rural rot

However, the biggest push by the SAD-BJP government to repair its image has come in the agrarian sector. The peasantry in Punjab faces a crisis. In the Budget session of Parliament, junior Agriculture Minister Mohanbhai Kundariya stated in a written reply that Punjab had the second highest number of farmer suicides in 2015, after Maharashtra, 449 against 720, respectively. Other states on this list are Telangana, Karnataka and Andhra Pradesh. Barring Punjab, all the others have featured regularly on the list of states with the highest number of farm suicides. The suicides were attributed to the presence of large unirrigated area, poor response to cultivation of cash crops and the traditional systems of farming.

Punjab, known as the country's grain bowl, with 80 per cent of its land under irrigation, is a surprise inclusion. Two consecutive drought years, interspersed with unseasonal rain and



Punjab, known as the country's grain bowl with over 80 per cent of its land under irrigation, recorded the second highest farmers suicides in 2015, after Maharashtra

PHOTO: REUTERS

pest attacks, a rapidly falling water table, falling farm export and near-stagnant minimum support price (MSP) growth in paddy and wheat, and overall slump in farm commodity prices seem to have broken the back of India's grain country.

So much so that farmers in Punjab and also adjoining Haryana, perhaps for the first time, sold a variety of basmati rice (PUSA 1509) to the Food Corporation of India for the Public Distribution System (PDS). The price of PB 1509 crashed from ₹4,500 a quintal to a mere ₹1,700 a quintal, despite a fall in sown area.

Even the usually robust kinnow farms in Punjab were not spared. There were reports that in the past two years, farmers uprooted kinnow orchards as prices remained static while input costs kept climbing. The state had around 42,795 hectares under the citrus fruit.

All this points to a systemic failure in Punjab's rural hinterland. With agriculture and farming the backbone of the state's economy, and one with national repercussions, the ruling SAD-BJP government is expectedly rattled, with elections scheduled for early 2017.

There have been numerous peasant protests for higher compensation for damaged crops. Allegations of corruption have flown thick and fast. In the whitefly episode, when hectares and hectares of farmland in the state were wiped out in days, fingers were pointed at the state administration for failing to control the spurious pesticide mafia, which not only gave farmers wrong instructions about effectiveness of the chemicals but also lulled them into complacency. The ₹1,700-crore scam claimed the head of the state's agriculture director, Mangal Singh Sandhu.

A friendly government at the Centre after years of acrimony with the Congress-led United Progressive Alliance was of little assistance. The Narendra Modi government's push for ill-thought amendments to the Land Acquisition Act and low MSPs nailed the perception of both the Centre and state government being pro-rich.

Badals' moves

In recent months, the Badals have attempted to change this perception and reach out to its peasant support base. The state Assembly passed a contentious Bill that paved the way for returning of land acquired from farmers in the 1960s and 1970s for the Sutlej-Yamuna Link (SYL) Canal to the original owners. This meant the canal would need to be filled, leading to massive repercussions in neighbouring Haryana and in Delhi. The Badal government was unrelenting. Intervention by the high court and formation of a high-powered committee might have put the lid on the issue for the time being, but the message has been conveyed.

Then, the state government passed the "Punjab Settlement of Agricultural Indebtedness Bill", which not only provided for a one-time settlement for debt-related disputes of farmers with *arhtiyas* (commission agents) but also created a comprehensive mechanism to the district level through which farm debt could be settled. The Act empowered the state government to fix a maximum rate which non-institutional creditors (moneylend-

ers and *arhtiyas* in this case) could charge from debtors. The Act covers non-institutional debt of up to ₹15 lakh and only those taken for agricultural purposes. The state government, in one stroke, has tried to address the big issue of growing indebtedness in rural Punjab, singularly blamed for several of the farm suicides.

A survey on indebtedness among farmers and farm labour in rural Punjab, done for the Indian Council for Social Science Research sometime earlier, had pegged the debt on state's farmers at ₹69,355 crore. Other estimates put the figure at a little over ₹36,000 crore, including ₹12,000 crore of non-institutional loan advance given by *arhtiyas*.

According to reports, the Punjab government is also planning to raise of the compensation to be given to cotton farmers for the damage to their standing crop in 2015. The state has asked officials to go to the fields to assess damage to the standing rabi wheat and mustard crops from the recent rains, though the intensity of showers this year was much less than in 2015.

Punjab is also among the first states to start implementing Prime Minister Modi's pet crop insurance scheme, though 80 per cent of its farmland is under irrigation and crop loss due to water shortage or drought is among the lowest in the country.

The SAD-BJP government's 2016-17 Budget is devoted to the welfare of farmers and rural youth. Among the measures are a ₹5-lakh insurance cover with annual free medical facility of up to ₹50,000,

interest-free crop loan of ₹30,000 to small and marginal farmers, a provident fund-cum-pension scheme for farmers, ₹1,000 monthly allowance to 100,000 youths for vocational training and allocating money for creating "smart villages".

Competing populism, cynical voters

These sops have become par for the course in Punjab politics in the past decade and a half. In 2002, the Congress led by Amarinder Singh defeated the incumbent Akalis with the promise of free electricity to farmers and removal of octroi. The Congress manifesto committee was, then, chaired by Manmohan Singh. However, after coming to power the Congress government backtracked on its electoral promises and announced a number of initiatives towards reform, including imposing electricity rates on agriculture. The party did poorly in Punjab in the 2004 Lok Sabha Elections.

When it went into the 2007 Assembly elections, Manmohan Singh, the then prime minister, opposed some of the sops that Amarinder said should be announced. The Akalis, however, outdid the Congress by not only promising free electricity but also *atta* at ₹4 a kg and pulses at ₹20. Incidentally, it was the Amarinder-led Congress government that had ensured passage of the Punjab Termination of Agreement Act of 2004 on the SYL canal. The Akalis beat anti-incumbency to return to power in 2012 on the back of constructing canals and delivering several other sops.

Observers of Punjab politics say the state has entered into a non-ideological phase, with the relationship between its politicians and voters being increasingly transactional, more than anywhere else in India. This also stems from a deep cynicism for the political class. "*Chitte bagule, neele more, eh vee chor te oh vee chor*", is a saying from the 1970s still popular in rural Punjab. In English it loosely translates as cranes are white and peacocks are blue but all politicians are thieves. In Punjab politics, traditionally Congress workers and leaders tie a white or sky-blue headgear, while the Akalis wear a deep-blue one.

According to Pramod Kumar, who heads the Chandigarh-based Institute for Development and Communication, the situation in Punjab is fluid, with all three contestants — SAD, Congress and AAP — changing their responses from one event to another. And, each such new event suggests somehow one or the other party has become more acceptable to the public. The "events" of the past 12 months include holding of a Sarbat Khalsa, "desecration" of the Guru Granth Sahib and the consequent by-poll to Khadoor Sahib, farmers' protests over crop damage and finally the SYL canal controversy.

"This phenomenon is being witnessed because none of the major political players has any ideological heft. Since people no longer connect with these political parties, they have been wise enough to hire event managers to connect with the people," Kumar says.

It would seem the Akalis, with the reins of government in their hands, are trying to make the best of what looks like

PUNJAB 2016-17 BUDGET FOR FARMERS



- Interest-free crop loan of ₹50,000 per crop to small and marginal farmers having landholding up to five acres
- Bhagat Puran Singh Sehat Bima Yojna to provide insurance cover of ₹5 lakh to a farmer family in case of death or disability of head of the family and the family will also be entitled to free medical facility up to ₹50,000 per year; approximately 1.1 million farmers to be benefitted
- Provident Fund-cum-Pension Scheme for farmers to provide secure and stable income
- Kisan Vikas Chamber in Mohali district to bridge the gap between farmers and policymakers, and to redress their problems
- Abolish VAT on raw honey and bee-keeping equipment, which currently attract tax rate of 6.05 per cent. Pig feed, which attracts tax rate of 6.05 per cent, is proposed to be exempted from VAT
- To showcase the innovative initiatives of farmers and to motivate others, Punjab to start suitable awards

PUNJAB 2016-17 BUDGET FOR WOMEN



- Swasth Kanya Yojna: Provide free school bags containing stationery items to girl students. Bags will contain "benefit eligibility card", showing benefits being provided to girls under various schemes
- Special women safety initiatives like extensive patrolling and a new women safety app - "Shakti"
- Mai Bhago Women Empowerment Scheme to provide loan at subsidised rate of five per cent per annum to women members to establish small business enterprises

PUNJAB 2016-17 BUDGET FOR YOUTH



- Unemployment allowance of ₹1,000 per month
- Free sports kits to youth
- Interest-free education loan up to ₹5 lakh for the duration of the course to the economically weaker

an uphill electoral battle, by assuaging their rural support base. They have done it before in 2012 but against a Congress plagued by infighting. This time they have to contend with not only a more united Congress but also the formidable freshness of the AAP.



With agriculture and farming being the backbone of the state's economy, the ruling SAD-BJP government is expectedly rattled

Amish
w/c Newspaper
Unit