

If a farmer becomes the Prime Minister

Imagined policy turnaround to unleash the real powerhouse of growth



With more income in the hands of farmers, and knowing that agriculture is the largest employer, a policy shift to renewing farming will also reduce the monumental task of creating more employment and that too at a time when the world is faced with increasing automation and jobless growth



About The Author

Mr Devinder Sharma is a leading agriculture and food policy expert, researcher, and writer

With 47 per cent of the country's workforce engaged in agriculture, and with 70 per cent of the rural households dependent on farming in one way or the other, imagine the day when a farmer becomes the Prime Minister.

In a democracy, a farmer too can look up to be there. It doesn't however mean that I have anything against the present crop of political leaders, but all I am trying to look at is the great expectation that the society at large will have, knowing that a farmer is in a better position to feel the pain, apathy and anger that the rural population is living with.

After all, why should they be destined to live in penury, with all the riches being amassed by a privileged few? Why should farmers always look excitedly at the doles and promises the political parties throw at the time of elections? Why can't we have economic policies that make farming prosperous and a sought after employment option? To put it succinctly, why can't a farmer dream to be a lakhpati, and why can't the future high-net-worth individuals (HNWI), people with liquid assets exceeding \$1 million, come from agriculture?

What A US President Told His Mother

It isn't easy I know. But it has to begin somewhere. When Jimmy Carter decided to contest, and we know he was also a peanut farmer, in an interview later he shared as to what happened when one fine evening he told his mother that he wanted to stand for President.

"President of what? She asked.

"United States," he replied. His mother did say how she noticed the throbbing of a nerve around his neck and could therefore see how serious he was. The rest is history. Jimmy Carter served as the 39th President of the United States from 1977 to 1981. Prior to that he was a member of the Democratic Party and had been the governor of Georgia State from 1971 to 1975.

All Great Things Begin With An Idea

Now, before you accuse me of harbouring a stupid idea and at the same time think of what appears to be an impossible dream of seeing a farmer as the Prime Minister, let us assume even if it is hypothetical that a farmer does get an opportunity to eventually lead the nation. With a farmer at the helm of affairs, it will be interesting to see what kind of economic policies are ushered in to see a complete turnaround in agriculture, so as to meet the aspirations of a healthy agriculture, healthy environment and wealthy farmers.

In my imagination, this is only possible if the new leader is willing to take bold decisions, and doesn't feel obliged to carry on with the same kind of skewed economic thinking that has led the rich to become stinking rich, while the poor have been driven against the wall. If the World Bank's estimate of 91 per cent of

population to be living in less than Rs 280 (or \$4) per day is correct, the challenge to turn the tables certainly seems to be gigantic. But that should not be a deterrent for a political leadership that is determined to rebuild agriculture, aiming to convert agriculture into a profitable and an economically viable proposition. Simply put, take steps that can chart a new pathway of economic growth, where everyone gains and not only a handful of billionaires.

Budget Talk

Let's begin with the annual budget. In 2023, of the total proposed budgetary allocation of Rs 45-lakh crore, agriculture received only Rs 1.25-lakh crore. This is just 2.8 per cent of the total budget. With such a low budgetary outlay, the unwritten objective is to make farmers abandon agriculture and migrate. In a country where roughly half the population or nearly 700 million people (including their families) are engaged in farming, the biggest economic challenge would come from a policy swing that provides for at least 50 per cent of the budget devoted to agriculture.

The enhanced annual budget itself will lay a strong foundation and also offset the farm losses, if properly designed, for a sustainable and prosperous future. The economic focus has to shift to revitalising the farm economy. To understand this, let's first take a look at some of the startling studies that depict the extent of deepening crisis and the reasons behind the continuing farm distress. Rural indebtedness and suicides have been escalating over the years. Even at the risk of sounding repetitive, it is first important to know the magnitude of the crisis that afflicts agriculture.

To begin with, a study by the Organisation for Economic Cooperation and Development (OECD), the richest trading block, along with New Delhi-based ICRIER had shown that in a period of 16 years, between 2000 and 2016, Indian farmers had suffered a loss of Rs 45-lakh crore, which means approximately 2.64-lakh crore every year.

A still bigger travesty is that no academia, no media, no State Assembly and even Parliament didn't even take cognizance of the serious implications of the study. As if this is not enough, the Down To Earth magazine (Oct 31, 2023) quotes another OECD report that assesses agricultural policy and support 54 countries provide. Accordingly, Indian farmers were taxed \$169 billion (Rs 14-lakh crore) in 2022 alone, some of the loss being exacerbated by export bans and restrictions.

Wrong Priorities

If only this loss estimate was for the industry, the TV channels would have been shrieking about the prevailing policy paralysis, and the need to provide an economic stimulus. But since it was agriculture that suffered the severe blow, nobody cared. That is how we have been literally handing over money to the rich thereby exacerbating inequality. Give them tax concessions, bank-write-offs and economic stimulus packages at the drop of a hat.



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But why is that farmers' invariably face police lathi-charge, water cannons and even police firing when they ask for high prices or bank waivers? Why is that I have never seen the corporate chief executives sitting at a protest at jantar mantar raising their demands? The economic policies should therefore not make any distinction based on the economic status. Let the policies be inclusive, in harmony and imbibe justice for all.

The latest report of the Situational Assessment Survey for Agricultural Household, pertaining to the period 2018-19, works out the average income of an Indian farm household at Rs 10,218 per month. This puts farming at the bottom of the pyramid in India. Earlier, the Economic Survey 2016 had shown that the average farm income in 17 States of India, which means roughly half the country, stood at Rs 20,000 a year. This meant that a farming family was surviving on less than Rs 1,700 per month. A farmer can't even rear a cow in the same amount.

No wonder, as the OECD report says, since the year 2000, Indian farmers continue to be taxed. In fact, India is the only country where the negative market support for agriculture has not been covered up by budgetary support. To keep food prices affordable, the economic design the world follows ensures that the entire loss is borne by farmers. In reality, it must be accepted that they alone carry the burden of subsidising the country.

Farmer Prosperity Shall Make The Nation Prosperous

With a farmer leader is at the helm, agriculture will receive the recognition it deserves, knowing there is no other way to achieve the vision of Sabka Saath Sabka Vikas. More income in the hands of farmers will not only revitalise the rural economy, but in turn will boost the national economy. Imagine if half the population had more to spend, the huge rural demand it will generate will surely act as rocket dose for the economy. Only the mainline economists can't see this.

If 76 years after Independence, farmers are unable to eke out an economically viable livelihood, there is certainly a need for economic rethinking. It will require out of the box thinking, treating agriculture as the real 'mainstay' of the economy rather than seeing it only as a burden. At the same time, it should be clear that with more income in the hands of farmers, and knowing that agriculture is the largest employer, a policy shift to renewing farming will also reduce the monumental task of creating more employment and that too at a time when the world is faced with increasing automation and jobless growth.

This will call for disbanding the Niti Aayog, and replace it with a policy think-tank that has the focus steadfast on a people-centric economic transformation. It also calls for a re-look at the macro-economic policies, discarding the consumer price index (CPI) to begin with, so as to ensure that the inflation index is based on real inflation, which means incorporating the inflation in housing, education and health so that the axe does not deliberately fall on food prices as the villain of the story.

There are numerous other initiatives that will need to be taken and will happen hopefully with time. But the first and foremost, to pull nearly half the country out from the clutches of poverty and hunger, and put it on the path to economic resurgence, a strong economic architecture that even defies the dominant structures will have to be laid out.

Let us not be brow-beaten with macro-economists who will continue to breathe down our neck. It is time to emerge free from the shackles of an outdated economic thinking that has certainly outlived its utility, and is primarily responsible for keeping agriculture deliberately impoverished.