

THE HINDU, MADRAS, 05 MAR 2007

The growth ideology of the cancer cell

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"**A**S DR. Muhammad Yunus, the Nobel laureate, said, Taster growth rate is essential for faster reduction in poverty. There is no other trick to it." So said P. Chidambaram in his budget speech. Drawing on his words must have seemed a politically correct thing to do. Mr. Chidambaram might want to add another quote to his cupboard. This one from the late Edward Abbey, environmental activist and writer. "Growth for growth's sake is the ideology of the cancer cell." Few things grow as relentlessly as that cell does, with such fatal results. As the cancer of neo-liberalism claims an ever-higher toll, its greatest theologians now include standard disclaimers in their chant. Growth has to be "inclusive" and "sustainable." Even the World Bank and the International Monetary Fund have earned these escape clauses. In any case, growth in India this past decade has been neither. The appalling distress in the countryside is just one measure of this. Election after election also rubs it in. Especially that of 2004, which brought the United Progressive Alliance to power.

Even going by the government's economic survey, by its own other data, agriculture is choking. Per capita growth has been negative. Farm incomes have taken a beating. Thousands of farmers commit suicide each year. The government has long known there is a frightful crisis on. One driven by human agency, by state policy. Yet, for all the noise, Central plan outlay on agriculture as a share of GDP sees no increase worth the name. Nor is there anything that touches the acute farm distress on the ground. In that the trend of falling state investment in sector after sector continues, this budget does not break with neo-liberalism. It just dolls it up.

In that the trend of falling state investment in sector after sector continues, this budget does not break with neo-liberalism. India is still on a path damaging and dangerous to the poor.

One of the most important steps the UPA took in 2004 was to assign the National Commission on Farmers the grim task of studying this crisis. The work of the NCF caught the imagination of farmers nationwide. In Vidharbha or in Andhra Pradesh, farmers when they speak at all of 'relief packages' do so with scorn. What they do demand is action on the NCF's findings. It is hard to find to find a single one of its many vital proposals addressed in this budget.

There are no steps towards a Price Stabilisation Fund. None at all towards debt relief, let alone a waiver. Nothing has happened that will make input costs cheaper. Racketeering on that front is not only left alone, it can dash on regardless. The 'huge' boost for rural credit does not touch the high interest rates, which are such a major source of the trouble. And government knows very well that small and marginal farmers have gained almost nothing from its earlier 'expansion' of credit. No incentives for food crops in crisis regions. No action, to cite just one problem, to prevent the dumping of American cotton subsidised in billions of dollars and devastating prices here and around the world. (In just marketing year 2001-02, as an official report shows us, U.S. raw cotton exports to India had tripled to more than a million bales.)

There is no move to use valid tools like

raising duties to halt a process that is literally killing Indian farmers. Import duty on cotton remains at a low 10 per cent. Indeed, the lowering of other duties in many cases will hit other sectors of Indian agriculture too. Not just cotton. If this is a pro-farmer budget, it's scary to think of what an anti-farmer one would look like. As always, the standards of judging the deal given to poor Indians differ totally from those used to measure what a 'sulking India Inc.,' gets. The big boys shouldn't be too disheartened, though. Business as usual will resume after a pause for the Uttar Pradesh elections.

Even as the budget is hailed as 'pro-farmer,' there comes the embarrassment to the Centre from a Congress-led State. Responding to a PIL on farm suicides, the Maharashtra government tries telling the Supreme Court that the Centre's dragging its feet over funds for Vidharbha was a big factor in the problem. True, it backs off pleading an error when this is highlighted in the press. But it gives you a picture of how bad things are.

Many have shown that some of the 'higher allocations' of the budget are negative when adjusted for inflation. The Left, for instance, points out that spending on the government's flagship employment programmes is up by 7 per cent. Which amounts to stagnation given inflation levels. The increase in

