

The Invisible Class*

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G.K. Chesterton has a well-known detective story involving Father Brown called “The Invisible Man”, where “invisibility” is supposed to characterize the postman: one is so used to seeing the postman come and go that one scarcely ever notices him. “Invisibility” in Chesterton’s sense however can get attached not just to an individual but to a whole class; and in our country, the peasantry undoubtedly is the “invisible class”. The peasantry has been called many things by many people, from “a sack of potatoes” to “an awkward class”. But it is above all an “invisible class” whose presence, and providing of essentials to the urban population, is taken so much for granted that it is scarcely ever noticed by those who get these essentials. How else can one explain the fact that literally all discussions of the economy occur these days with no reference whatsoever to the plight of the peasantry?

The Modi government has just completed four years in office, and celebrated that fact with much fanfare. As if on cue, the third quarter GDP estimates for India have come out for financial year 2017-18, which show a higher growth rate compared to the past, and place India above China in growth-rate ranking, to the great glee of an audience used to lapping up competitive T-20 games. And yet in this entire hullabaloo no thought has been spared for the condition of the peasantry, which has remained the invisible class.

Let us do a very simple calculation. Let us take from the Government of India’s Economic Survey 2017-18 the nominal gross value added in the sector “agriculture, forestry and fishing, mining and quarrying” for the year 2013-14, just before the Modi government came to office; and let us take the comparable figure for the year 2017-18 (“First Advance Estimate”). The nominal gross value added includes the gross incomes of all the people who obtain their income from this sector. We therefore get the total money income generated in this sector, which, incidentally, employs just over half of the country’s entire work-force.

To obtain the real value of this money income we have to look at the bundle of goods it would command in the market, for which we deflate this money income by a consumer price index taken from the Economic Survey itself. (We use the combined CPI given by the Survey and calculate the index for the entire year 2017-18 by assuming that the observed inflation rate for April-December of that year, over April-December of the preceding year, will hold for 2017-18 as a whole).

We have to look however at the per capita figures. Within such a short period there is unlikely to have been any notable change in the distribution of the work-force across sectors, so that the rate of growth of the population dependent upon this sector can be taken to be approximately equal to the rate of growth of the country’s total population. On this basis when we look at the per capita real income of the population dependent upon this sector, taking population figures again from the same official source, we find that there has actually been an absolute decline between 2013-14 and 2017-18. The magnitude of decline is small, just over half a percent; but it is an absolute decline nonetheless.

Two points moreover should be noted here. First, the figure for gross value added lumps together the incomes of the capitalists, the landlords and the rural rich, together with those of the agricultural labourers, and the bulk of the peasantry. Assuming, not unreasonably, that the capitalists, the landlords and the rural rich would not have experienced a fall in their per capita real incomes, but would rather have experienced some increase, we can safely infer that the fall in the case of the agricultural labourers and the bulk of the peasantry must have been correspondingly larger, and certainly by no means insignificant.

Secondly, the consumer price index does not fully capture the rise in the cost of living, because it does not catch the effect of privatization of essential services like education and healthcare that has occurred of late. It looks at the rise in the price of a given bundle of goods over the base year. If for instance there were only government hospitals in the base year, and a government hospital charged Rs.100 for an operation in the base year and Rs.110 in the current year, then the rise in the price of this item will be counted as 10 percent. This would be so even though in the interim the facilities in the government hospitals may have dwindled so much that most people are forced to go to private hospitals which charge, say, Rs.300 for the same operation. Hence as far as this item is concerned the cost of living for these people has gone up by 200 percent (from 100 to 300) but the consumer price index would show only a 10 percent increase. The decline in real income accordingly is much greater than what deflation by a consumer price index, as done here, suggests.

It may be argued that with the third quarter GDP estimates that have just come out, the 2017-18 gross value added figure will be larger than what we have taken, based on the "First Advance Estimate". But even if we take what the government now says will be the gross value added in this sector in 2017-18, our basic conclusion is not altered. The per capita real income of the population dependent upon this sector now remains roughly unchanged between 2013-14 and 2017-18, instead of falling by half a percent. But given the fact that within this sector the capitalists and the landlords would certainly have seen some real income increase, and also that the consumer price index understates the increase in cost of living, the worsening in the per capita income of over half of India's population during Modi's four years in office is indubitable. And yet nobody is talking about this utterly deplorable record, even as facile comparisons with China fill newspaper pages.

The good thing however is that this "invisible class" is finally beginning to stir and make itself visible. From the kisan march organized by the Left in Maharashtra to the ten-day strike of peasants in North India, we are witnessing an assertion by the peasantry the like of which has not occurred for quite a long time. And its effects are also beginning to be felt in election results. Whether in Karnataka where the JD(S) highlighted peasant distress and garnered much greater support than the "pundits" had predicted, or in Kairana where peasant anger over cane arrears nullified the BJP's attempts at fomenting a communal polarization, we are witnessing at last a stirring of this invisible class.

Ironically however many still do not notice this class. The BJP's electoral losses are attributed by "experts" to all sorts of factors, from "anti-incumbency" to the mere pooling of opposition votes; the dynamics of peasant assertion scarcely gets

mentioned. But it is this which really threatens the BJP in 2019, no matter how many superannuated politicians they take to Nagpur to provide respectability to the RSS.

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