

***CERTAIN ASPECTS OF THE AGRARIAN SITUATION
AND ALTERNATIVE POLICIES****

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Growing Crisis in Agriculture

An unprecedented and all-encompassing agrarian crisis is deepening. India is moving fast towards severe food shortage and starvation. The per capita availability of food grain has declined and has reached a level unprecedented in the last five decades. The growth rate of productivity and production in agriculture is also declining. Unemployment is growing fast. The number of days of work available to a worker in a year and the wages of agricultural workers are declining. Indebtedness is growing. Many sections of the rural poor are being marginalised. The increasing migration of agricultural labourers, poor and middle peasants from the rural areas is causing serious social and economic problems. The steep fall in prices of agricultural commodities and the increase in prices of agricultural inputs have adversely affected the interests of all sections among the peasantry, particularly the poor. Poverty is spreading to new sections and areas. Starvation deaths and peasant suicides are increasing. Unevenness in growth and development, sectoral and spatial, is increasing.

Since independence, India has been able to make substantial gains in agricultural production, including cereal production. This has been made possible because of increases in aggregate area sown, the expansion of irrigation facilities, certain land legislation, the introduction of high-yielding seed, the use of fertilisers, improved implements, farm machines, and technology for pest management, a price policy based on minimum support price and procurement operations, infrastructure for storage and cold storage, increase in investments, improvements in the trade system and other factors. These achievements, however, have not stopped the growing crisis in agriculture; the crisis is caused by inherent structural defects in production relations, and the weakness of the path of development chosen as well as certain specific measures taken in the agrarian sector.

Land Reforms

Land legislation passed and implemented in States by bourgeois-landlord State Governments have failed to achieve genuine land reform. Left-led State Governments in West Bengal, Kerala and Tripura alone have made substantial changes in land relations in the interests of the overwhelming majority among

the peasantry. In other States, land concentration remains more or less unchanged. Breaking land monopoly and distributing land gratis to agricultural labourers and poor peasants, destroying the structures of traditional systems that hamper the process of development, such as caste and gender oppression and servitude and bondage are prerequisites for releasing the creative energy and labour enthusiasm of millions of peasants. Such reform also helps the political need to establish economic and political citizenship for the excluded masses in order to ensure their integration into a cohesive nation.

The land legislation of bourgeois-landlord governments did not aim to abolish landlordism but to transform semi-feudal landlords into capitalist landlords and to develop a stratum of rich peasants. The legislative measures to abolish statutory landlordism permitted the payment of huge compensation to landlords and allowed them to retain vast tracts of land. Different kinds of provisions for the right of resumption in tenancy laws led to the eviction of millions of tenants. Loopholes in land ceiling laws helped landlords keep large holdings intact. Millions of acres of surplus land were neither taken over nor distributed to agricultural workers and poor peasants.

Instead of implementing land reform measures and providing facilities for increasing productivity and production to the mass of the peasantry, the Congress governments relied on landlords and rich peasants for agricultural growth, and on their ability to make investments to increase productivity and production.

By contrast, much progress was achieved by the land reform measures introduced in West Bengal, Kerala and Tripura. The strength of the peasant and agricultural worker movements, their struggles and the existence of the Left-led State Governments made the implementation of land reform measures possible in these States. Land reform measures were responsible for noteworthy achievements in advancing the interests of the poor, who constitute the overwhelming majority of the rural people in these states.

With regard to achievements in the West Bengal countryside, Surjya Kanta Mishra and Vikas Rawal (2002) write:

The impact of the wide ranging changes in power structure brought out through land reform and reorganisation of institutions of local government is seen in various indicators of economic and social development in rural West Bengal. Land reform and reorganisation of panchayats created conditions by which West Bengal emerged from a long period of agrarian impasse. In the 1980s, the rate of growth of foodgrain production in the state was the highest among the major foodgrain producing states of India.

Among all States, West Bengal is the highest producer of rice and the second highest producer of potato. Cropping intensity in West Bengal has increased steadily from 136 in 1980-81 to 180 in 2001 -- the highest in the country next only to Punjab.

The post-land reform period has been associated with large-scale expansion of irrigation...

West Bengal has also improved its position in allied sectors like fisheries and poultry. For more than a decade, West Bengal has had the highest production of fish and fish seedlings among all the Indian states.

In the 1990s, West Bengal had the highest growth of per capita net state domestic product (NSDP) among all states in the country...

Economic growth in West Bengal has been accompanied by improvement in levels of nutrition and decline in poverty. The NSS data show that the per capita calorie intake in rural West Bengal increased from 2,027 Kcal in 1987-88 to 2,211 Kcal in 1993-94; in rural India as a whole, by contrast, calorie intake declined from 2,221 Kcal to 2,183 Kcal in the same period. West Bengal is the only state among the major states of India where monthly per capita cereal consumption has increased between 1972-73 and 1993-94. In terms of the head-count ratio, the decline in the proportion of the rural population below the poverty line between 1977-78 and 1997 was the highest in West Bengal among the fifteen most populous states of India; the rural poverty ratio in West Bengal declined by 36.3 percentage points in this period. West Bengal had the second lowest proportion of population below the poverty line among the fourteen most populous states; in 1974, its rank among these fourteen states was eleven.

Indicators of human development also showed steady improvement in the State of West Bengal. The infant mortality ratio (IMR) declined from 92 per thousand in 1977 to 53 per thousand in 1999. Presently, West Bengal has the third lowest IMR and birth rate and the second lowest crude death rate among all Indian states.[\[1\]](#)

Skewed Nature of Distribution of Assets

Assets such as land, agricultural implements, vehicles and transport equipment and pump-sets, tube wells, and other machinery are concentrated in the hands of landlords and rich peasants. So also are financial assets, including access to institutional credit. This skewed distribution of assets has enabled the rich to garner the benefits of productivity and production increases in the rural economy. The concentration of assets in the hands of the

rich sections makes the situation more adverse to the interest of the poor.

Facilities Provided by Government

The major portion of government's grants, including subsidies to agricultural inputs, credit facilities, high-yielding seeds, agricultural implements, irrigation and power facilities, and infrastructural facilities (including facilities for storage and cold storage) are cornered by landlords and rich peasants who are the politically influential sections in the bourgeois-landlord political parties in rural India. In areas where the Left and progressive movements are weak, these sections control cooperatives and panchayat raj institutions. The richer sections make use of these institutions for their narrow benefit and against the interest of the overwhelming majority of the peasantry.

Liberalisation policies, based on the retreat of the state and surrender to the capitalist market, have aggravated the crisis in agriculture further. The liberalisation process is biased in favour of the rich and against the interests of the poor, who are mainly agricultural labourers, poor peasants and middle peasants.

Capitalist Development in Agriculture

The economic and agrarian policies pursued by successive governments since Independence have developed capitalist production relations in agriculture and have benefited the rural rich, comprising landlords, capitalist farmers, rich peasants and their allies. The development of capitalist production relations is clearly a major all-India trend but there are regional and sub-regional variations and unevenness. There are regions where capitalism in agriculture has advanced and when commercial agriculture and cash transactions dominate the rural economy; there are regions where old forms of landlordism and tenancy and archaic forms of labour service, servitude and bondage still play an important part in agrarian relations. Caste divisions, caste oppression, gender oppression and the exploitation of the poor by usurers and merchant capital continue unabated all over the country.

Capitalist development in Indian agriculture is not based on a resolute destruction of older forms, but has been super imposed on a swamp of pre-capitalist production relations and forms of social organisation. The development of the "modern" does not preclude the continued existence of the archaic. [Programme of the Communist Party of India (Marxist)]

The development of capitalist relations in the countryside can be seen, *inter alia*, in the proletarianisation of large sections of the rural working masses and the huge increase in the number of agricultural workers as a proportion of the rural population, the differentiation taking place among the peasantry, the large-scale evictions of tenants, production for the market, mechanisation

and increased levels of reinvestment of capital in agriculture and agricultural related activity.

TWO PHASES OF CAPITALIST DEVELOPMENT

The post-independence period of capitalist development in agriculture can be broadly divided into two phases -- the State-sponsored capitalist development phase and the liberalisation-globalisation phase.

State-Sponsored Capitalist Development Phase

During the State-sponsored capitalist development phase, governments invested in the expansion of irrigation, power, science and technology, transport, communication, storage facilities and so on, and considerable progress was made in these areas. Public investment in science and technology helped develop high-yielding seeds and the production of agricultural implements for increasing productivity and production. Governments also provided subsidies for the purchase of agricultural inputs. Measures were also taken to protect the interests of producers by establishing a minimum support price mechanism in the case of certain crops. Many types of credit facilities were also provided. Priority was given to increasing food grain production and attaining food grain self-sufficiency. Many restrictions were put on the import and export of agricultural commodities in order to protect the domestic market. Even though the lion's share of the benefits of these measures was appropriated by landlords and sections of the rich peasants, these helped the agrarian sector achieve certain levels of growth and development.

The landlords and the richer sections that benefited and gained strength and assets during the phase of State-sponsored capitalist development expected to achieve even more benefits under the globalisation-liberalisation policy regime; hence, most landlord-led peasant organisations supported the globalisation-liberalisation policies.

Liberalisation Phase

The second phase of capitalist development during liberalisation period witnessed a reactionary change in the policies of the state. Many steps have been taken by the state to withdraw from economic affairs and to hand over everything to capitalist market forces to decide. The poor have suffered most during the period of liberalisation. In the place of State-sponsored capitalist development, a strategy of development based on trade came into existence.

Most non-Left state governments are taking steps to reverse the land reform process by relaxing land ceiling and tenancy laws in order to develop the land market. The Government of Karnataka has amended the Land Reform Act of 1961 reintroducing land leasing, allowing non-agriculturists and industrialists

to own land and removing land ceiling for aquaculture, horticulture, floriculture and the housing industry. The government of Maharashtra has relaxed restrictions on the conversion of agricultural land to non-agricultural land. The Agriculture Land Ceiling Act has been amended to permit large land holdings. Many non-Left governments have given thousands of hectares of land either on sale or on lease at throwaway prices to multinational companies and domestic monopolies. Wasteland has been given to multinational companies and big business for development and cultivation. Instead of vesting forestland to the adivasis who cultivate it, the Central Government has issued a circular calling for the forcible eviction of lakhs of adivasis from the land. Many non-Left state governments have begun the process of eviction; the Left Front State Governments of Tripura and West Bengal have, however, refused to implement such a measure.

As a result of policies of liberalisation, there have been drastic cuts in public investment in areas such as irrigation, electricity, science and technology, and infrastructural facilities. Public sector investment played a crucial role in the development of irrigation, power, agricultural research, roads, markets and communications. As a result of current policies of liberalisation, investment in agriculture declined from 1.6 per cent of the GDP in 1993-94 to 1.3 per cent of the GDP in 1998-99. This decline was mainly due to the fall in public investment. The share of agriculture and allied sectors in total gross capital formation (GCF) also declined during the period of liberalisation (see Table 1). Contrary to what was claimed at the time of initiating this process, liberalisation policies have been responsible for the decline in investment.

Investments in public health and public education have declined. Privatisation in these spheres has the effect of denying the poor access to facilities for health and education.

The credit-deposit ratio is an important indicator of the degree of involvement of banks in lending. The credit-deposit ratio of rural branches of commercial banks in the country as a whole has declined from 69 per cent in 1991 to 40 per cent in 2001. The decline in the rural credit-deposit ratio has a direct bearing on capital formation in rural India.

The government has reduced subsidies provided to all agricultural inputs, including seeds, water and electricity charges, fertiliser, pesticides, and agricultural implements.

Another consequence of the liberalisation programme is the removal of all restrictions on import and export, other than tariffs. Liberalisation is also leading to the privatisation of water and the creation of water monopolies. The World Bank policy paper on liberalisation of agriculture recommends the creation of "markets in tradable water rights." Through this, water can be

diverted from common peasants to corporate super farms. The new agricultural policy of the Karnataka government stands for large corporations and agri-businesses gaining monopoly control over water. The sale of Ganga water to the French company Ondeo Degremont for the Sonia Vihar Water Treatment Plant is another example.

Bio-diversity, which has been the common property of farmers and local communities, is being transformed into the private property of a handful of corporations such as Monsanto, Syngenta, Dupont, Dow, and Bayer. Control over seed means control over agriculture; Monsanto, for instance, clearly uses technology to force farmers into seed dependency. Corporate seeds are creating difficulties for peasants because of the high costs of seed, high dependence on costly inputs (pesticides and herbicides) and high levels of unreliability and crop failure. Cotton cultivators in Maharashtra, Andhra Pradesh and Karnataka complained that the Bt cotton plants were not in fact protected from pests, including the American Bollworm.

The public distribution system is being dismantled. The targeted public distribution system has proved to be an utter failure, and the Antyodaya scheme woefully inadequate in its coverage. Over the last three years, the BJP-led Central government has increased the price of wheat for “above poverty line” households by 85 per cent and the price of rice for “above poverty line” households by 61 per cent. In 2001, the Central government increased the price of wheat for “below poverty line” households by 66 per cent and the price of rice for “below poverty line” households by 62 per cent.

Recurring floods and drought have made serious changes in the environment and the intensity of the adverse effects is increasing year by year. The government is not taking any appropriate remedial measures. Erosion is taking place at an alarming level and a vast extent of land has been made unsuitable for cultivation. The situation is fast deteriorating in most parts of the North-East. Government intervention to combat natural disaster, particularly in the form of compensation and rehabilitation measures, has been very inadequate.

MAJOR EFFECTS OF LIBERALISATION

Decline in Growth Rate of Production and Productivity

Liberalisation has led to an overall decline in the rate of productivity and production in agriculture, particularly with regard to food. The overall growth rate of crop production declined from 3.72 per cent per annum between 1979-80 and 1989-90 to 2.29 per cent per annum between 1989-90 and 1999-2000; and productivity declined from 2.99 per cent per annum to 1.21 per cent per annum over the same periods.

The growth rate of food grain production declined from 3.54 per cent per annum during 1980s to 1.92 per cent per annum in the 1990s. The growth rate of productivity in food grain, which was 3.3 per cent per annum in the 1980s, declined to 1.32 per cent in the 1990s. The rate of growth of production of non-foodgrain crops fell from 4.02 per cent per annum in the 1980s to 2.83 per cent per annum in the 1990s.

Over the period of the ninth five-year plan, the average annual growth rate of food grain production declined to 1.1 per cent, a rate that is lower than the population growth rate between 1991 and 2001, which was 1.9 per cent. The per capita net availability of cereals and pulses, which was 510.1 grams per day in 1991, declined to 414.1 grams per day in 2001.

The performance of the agricultural sector during the ninth five year plan period was below the targeted growth rate. The average annual growth rate achieved during the ninth plan was estimated to be only 2.06 per cent, against a target of 3.9 per cent.

The share of agriculture to the GDP has declined from 61 per cent in 1950-51 to 24.2 per cent in 2001-02. But the population dependent on agriculture has declined marginally from 77 per cent to 69 per cent during this period.

The persistent decline in the relative productivity and income of agricultural worker is a serious disturbing trend. Productivity per worker in non-agricultural activity was 1.8 times that of an agricultural worker in 1950; it had risen to 4.3 times that of an agricultural worker in 1997. Workforce diversification is also not taking place in India.

One of the other disturbing features of current development is the very low employment generating potential of growth in the tertiary sector, which was the fastest growing sector during this period. In the earlier period, agriculture was a fast growing sector but it had a very high employment potential. The result is the increasing concentration of workforce in agriculture and continuous decline of relative productivity, income and living conditions of workers engaged in agriculture.

Price Crash

The liberalisation policies and removal of quantitative restrictions on import of agricultural commodities has led to sharp falls in the prices of many crops in India. According to Dr. Vandana Shiva, "Indian peasants are losing more than Rs. 1,16,200 crores per year due to falling farm prices of staple foods and

cash crops." This period also witnessed very wide fluctuations in the prices of many crops. Resource-poor sections of the rural population are worst affected by fluctuations in prices.

Major Sufferers -- Agricultural Workers and Poor Peasants

Agricultural workers and poor peasants are the worst sufferers of the policies of the government. A large proportion of them come from dalit, adivasis and other backward classes. The proportion of landless agricultural workers in the rural population increased from 25 per cent in 1981 to over 40 per cent in 2002. This indicates the growing pauperisation of the poorer sections of the peasantry and their growing alienation from land, which forces them to join the ranks of landless agricultural labourers. The average number of days of work available to an agricultural worker in a year slumped from 123 a year in the 1980s to 78 in the 1990s.

NSS data show that the annual growth rate of rural employment has plunged from 2.03 per cent between 1987-88 and 1993-94 to just 0.58 per cent between 1993-94 and 1999-2000. A large number of retrenched workers from the cities have returned to the villages and have added to the number of rural unemployed. The reduction in rural employment schemes by the Central and State Governments have also adversely affected the employment situation in the countryside. Agricultural workers are subjected to the severest forms of exploitation. The decline in public investment and the reduction of subsidies to agricultural inputs have increased the difficulties of the poor and middle peasants. They also face difficulties in getting institutional credit at affordable rates of interest and hence have to rely on moneylenders who advance loans at exorbitant rates of interest.

Expectations of Market Access Not Fulfilled

The Government of India and many landlord-led peasant organisations were very keen to bring agriculture within the purview of GATT. India, from the very beginning of the Uruguay round of discussions at Punta Del Este in September, 1986, took the stand that "agriculture" should be brought within the purview of GATT. In the present changed world situation, the imperialist countries are exerting pressure on developing countries through international institutions like IMF, World Bank and WTO to accept new conditions and new forms of exploitation. These pressures and the expectations of the bourgeois-landlord sections prompted government of India to take the stand that "agriculture" be brought within the purview of GATT.

The Government of India and the landlord sections expected that the withdrawal of subsidies by the developed countries would result in a

significant increase in exports of tradable agricultural goods. Since agriculture is backward and labour-intensive, this would not only provide more employment to agricultural workers but would also help raise their productivity and incomes. Agro-processing industries would also develop and this would lead to a gradual diversification of the labour force, away from agriculture and into non-agricultural occupations. Investment in agriculture and agro-processing industries would also increase, leading to progress and prosperity.

These high expectations were reflected in the inaugural address of Shri Pranab Mukherjee, then Commerce Minister in the Congress Government at the Centre, at a symposium on the impact of the Uruguay Round on agro-exports held in August, 1994:

Coming to the area of trade in agriculture...I would like to emphasise that India was one of the leading developing nations which initiated from the very beginning of the Uruguay round of discussions at Punta Del Este in September 1986, that "Agriculture" should be brought within the purview of GATT. The need for liberalisation in the world trade in agriculture was felt due to extensive subsidisation by the developed countries which led to distortion in the prices of agricultural commodities. As a result, the poor and developing countries like India were finding it difficult to have access to the markets of agricultural products in the developed and developing countries.

A note circulated by the Ministry of Agriculture at a meeting of representatives of peasant organisations and political parties held on September 13, 2000 in New Delhi explained what the Government expected from liberalisation and what happened subsequently.

During the Uruguay round, it was expected that pursuant to the Agreement on Agriculture, distortions in agricultural trade would be reduced and scope for exports of products from developing countries would increase. The anticipated increase in exports of agricultural products from developing countries has not been realised. It was also expected that the contemplated fair trading regime would help the efficient producers in realising higher prices for their products. On the contrary, prices of most agricultural commodities are declining in the world markets. It was anticipated that due to the reduction in domestic support in developed countries, cereal production would shift from developed to developing countries. Empirical evidence, however, shows that there has not been much change in the pattern of world cereals production and exports.

A number of developed countries have continued to provide high domestic support to their agricultural sectors. At best the policies in many developed countries have only been cosmetically altered by shifting the support from one box to another. The level of support can be gauged from the fact that the level of subsidy other than that allowed under the green box, in 1995, in some developed countries was around 30% of the GDP contributed by their agriculture sectors. In absolute terms, the total farm support in the developed countries (OECD) increased by 8% to 363 billion US dollars in 1998. Reportedly in response to a collapse in commodity prices, for the past two years, US Congress has approved a total of \$15 billion worth of emergency farm aid during the last three years. The continuation of the high domestic support to agriculture in many developed countries is a cause of concern as they encourage over-production in these countries leading to low levels of international prices.

It is obvious, therefore, that benefits to developing countries in terms of increasing their exports will only occur from complete elimination of export subsidies and substantial reduction in domestic support in the developed countries. In this context, it may be in the interest of India to demand a substantial reduction in the domestic support and export subsidies in developed countries.

Market access to the developed countries is hampered by persistent protection by high tariffs and other barriers. In a recent study of 14 countries, FAO concluded that there was little change in the volume exported or in diversification of products and destination. Tariff peaks continue to block exports from developing countries to the developed world. Tariffs still remain very high in certain sectors, specially, in cereals, sugar and dairy products. Tariff escalation (increase in tariff with successive stages of processing) continues to block exports of value added products from developing countries to the developed countries. Sanitary and phytosanitary (SPS) issues continue to be a major barrier in diversifying exports in horticulture and meat items. Fresh commitments should, therefore, be negotiated to substantially improve market access for products of particular interest to developing countries.

The Government of India claimed that it took a firm position in the ministerial conference of the World Trade Organisation in Cancun in Mexico against the developed countries along with other developing countries and that that led to the stalemate. Nobody disputes the fact that the Government of India took a position demanding reduction of domestic and export subsidies given by the developed countries. But the Government of India and the landlord sections are trying to create an impression that if the developed countries reduce their

domestic and export subsidies and peak tariff rates, Indian agricultural commodities will get market access and the situation will change radically in favour of Indian agriculture. The need to demand reduction of subsidies and peak tariff rates of the developed countries cannot be disputed. India can also ask for a "development box" or "food security box" similar to "green box" or "blue box", where the domestic support given is excluded from the calculation of total aggregate measure of support (total AMS).

India -- Certain Important Specificities

The strategy of market-oriented development cannot bring development and progress. For the vast majority of the peasantry in India, agriculture continues to be subsistence cultivation and not a commercial venture.

The proportion of poor and middle peasants who hold operational holdings that are not more than 5 acres is very high in India and their numbers are growing with the development of capitalist production relations (see Table 2). Table 2 shows that three-fourths of all operational holdings belong to poor and middle peasants.

In India, the other important issue to be addressed is the wide regional variation in productivity and production. Productivity levels are higher where irrigation is available. Peasants, particularly poor peasants, living and cultivating in those areas where the productivity level is below the average level suffer many disadvantages. When the minimum support price (MSP) is announced by the Government, there have always been complaints about the low level of the MSP from peasants who live in those areas where the productivity level is comparatively low. Kerala coconut cultivators always complain about the copra MSP announced by the Government of India. The difference in the productivity level of sugarcane, cotton and other cash crops in different regions is another perennial problem.

Another feature of Indian agriculture is that, owing to regional agro-climatic differences, most crops are region-specific. Rubber, coconut and many spices are concentrated in Kerala. Oil seeds are concentrated in dry and rain-fed areas. Rice is concentrated in areas of heavy rainfall and irrigated areas. If edible oil is imported freely because of its relatively low price in the international market, there is no choice for the dry land farmers but to change to other crops. The economies of oilseed mono-crop areas would suffer. Cropping patterns in India are determined by specific agro-climatic situations and there is little room for flexibility in the choice of cropping pattern. In the present circumstances, the peasantry will suffer great difficulties if free trade is allowed.

Productivity and Production Increase -- The Crucial Issue

The problems of the peasantry and agriculture can only be solved by increasing productivity and production and ensuring equitable distribution.

The increase in productivity and production is dependent on releasing the creative energy and labour enthusiasm of millions of peasants by breaking up land concentration and traditional systems of exploitation and by distributing land to agricultural labourers and poor peasants. Steps should be taken to protect the interests of the poor from disadvantages that flow from the skewed distribution of assets. The major share of concessions and benefits to the countryside should reach the disadvantaged sections.

The productivity level of most crops in India is below the world average level (see Table 3). In the context of an emerging world market, the productivity level of crops in India needs to be raised to world average levels. The interests of the peasantry and agriculture cannot be protected without increasing productivity and production. Serious attempts should be made in this direction.

There has been general improvement in the yield of cereals over the years globally. But the improvement in yield achieved by India is very minor. For example, France had the best cereal yield at 7126 kilogram per hectare in 1996-98 followed by Egypt at 6595 kilogram per hectare. Yields were high -- more than six tonnes per hectare -- in Germany, Japan and the US. The yield of cereals in China was more than twice than that of India. Yields in Brazil and Germany also increased substantially (see Table 4).

Peasantry -- Different Sections

Agricultural workers and poor peasants constitute the overwhelming majority of the rural workers in India. They are subjected to ruthless exploitation by landlords, capitalists and by globalisation policies. The middle peasants are exploited by landlords and usurers and the capitalist market controlled by big companies and multinational corporations. Rich peasants constitute an influential section among the peasantry and certain sections among them have gained very much from post-Independence agricultural policies. They employ agricultural workers and have contradictions with them. But they are also adversely affected by constant fluctuations in prices and exploited by the market controlled by big business and MNCs. Even though many of them are inclined to join the capitalist landlord class, the difficulties they face also force them to oppose the policies of the Government. Even landlord sections are facing certain difficulties as a result of steep price falls and price fluctuations under the liberalisation-globalisation regime. They stand for reducing

domestic and export subsidies and tariff peaks in the developed countries and other such demands.

Emerging Contradictions

The present situation is characterised by the emergence of two important contradictions. First, the sharp division between the rural rich comprising the landlords, capitalist farmers and their allies on the one hand and the mass of the peasantry mainly agricultural workers, poor peasants and artisans on the other. The second is the growing opposition to imperialist-driven globalisation and liberalisation policies not only from among the mass of the peasantry but also from sections of the rural rich.

A powerful agrarian movement has to be built on alternative policies centred on the interests of agricultural workers and poor peasants who constitute the overwhelming majority of the peasantry and who suffer most due to the growth of capitalism and liberalisation-globalisation policies. The interest of the middle peasants and genuine interest of the rich peasants and the agriculture can only be protected by such alternative policies. The market-driven liberalisation-globalisation process in agriculture is strongly biased towards richer sections, landlords and also prosperous regions.

The richer sections oppose the high subsidies given by developed countries, peak tariff rates and inequitable provisions of the agreement on agriculture as they are against their interests. Some landlord-led organisations that supported liberalisation policies have now begun to oppose them. The agrarian movement should support whoever comes forward to oppose any of the policy measures of liberalisation and globalisation. But some changes in such policies alone cannot solve the real problems faced by Indian agriculture and the overwhelming majority of the peasantry in the country. An alternative that is centred on the interests of agricultural workers and poor peasants and also works in defence of the genuine interests of middle and rich peasants alone can find a solution to all problems. It is also necessary to wean away these sections of the peasantry from the ideological influence of landlords and other richer sections to build a powerful agrarian movement based on the genuine interests of the peasantry, agriculture and the country.

A powerful all-India agrarian movement can be built only through struggles against the policies of the state, which is the organ of the class rule of the bourgeoisie and landlords led by the big bourgeoisie who are increasingly collaborating with foreign finance capital in pursuit of the capitalist path of development.

Alternative Policies

The present trade-oriented strategy of agricultural development should be rejected and an alternative policy of development that stands for active intervention by the state to increase productivity and production in agriculture should be implemented in its place. The great unevenness in agricultural development -- both spatial and sectional -- in India creates great difficulties for the poor and for peasants living in backward areas. The state should make appropriate interventions in developing backward areas. The persistence of poverty and unemployment in rural India can only be solved by increasing productivity and production in agriculture and rapid industrialisation. If food security is to be ensured over time, production and yields must increase. Given the emerging globalisation of agricultural markets, increases in yield are the starting point for the protection of the peasantry and agriculture in India. The technological changes that are required to upgrade agricultural productivity require sustained and multi-dimensional state intervention.

An alternative agrarian and agricultural policy should include the following measures:

1. Land reforms must be implemented and land distributed to agricultural workers and poor peasants in all states where such measures have not been implemented. The steps to reverse land reform measures must be resisted.
2. The state must ensure minimum wages and social security measures such as provident fund, pension, and workers' compensation, in order to improve the standards of living of agricultural workers. The economic and social conditions of agricultural workers should get adequate attention and priority. The central government should pass a comprehensive law for agricultural workers in order to ensure minimum wages and provide protective social security.
3. Government should make investments to expand and upgrade irrigation, electricity, agricultural science and technology (including technological applications for small holdings), transport and communication facilities in the countryside, agricultural processing centres, and storage units (including cold storage facilities). With regard to agriculture and rural development, the policy of retreat by the state must decisively be reversed.
4. Steps should be taken to ensure food security for the people.
5. Government should make available adequate credit at low rates of interest. This is essential if peasant investment in agriculture is to be

sustained, and is essential to provide some protection to the rural poor from moneylender exploitation.

6. Government should provide subsidies to agricultural inputs to protect the interest of the poorer sections among the peasantry. Additional subsidies should be given to peasants farming in backward areas. Appropriate types of peasants committees should be constituted to ensure that the benefits of subsidies reach genuine beneficiaries.
7. A comprehensive crop insurance scheme covering all crops should be implemented.
8. Government of India should take a firm stand on WTO related issues and should try to rally other developing countries to make making appropriate changes to eliminate unjust and iniquitous provisions in the agreement on agriculture in WTO. India should ask for:
 - a) Reduction of domestic and export subsidies of developed countries.
 - b) Elimination of all boxes like green, blue and amber. Fixed allowable minimum subsidy either on the basis of per acre or per capita.
 - c) Reintroduction of quantitative restrictions in the case of those commodities that get domestic or export subsidies above the allowable minimum.
 - d) Reduction of tariff peaks.
9. The government should intervene to protect the peasantry from sudden falls in the prices of agricultural commodities.
10. The public distribution system should be universalised and strengthened.
11. Panchayat institutions should be strengthened, voluntary cooperatives should be organised to help the peasantry in production, marketing, and primary processing.
12. Agro-based industries should be developed. The entry of MNCs into agriculture should be regulated.
13. The state must take adequate measures to protect the environment, regenerate degraded areas, prevent soil erosion, prevent and control pollution, and conserve forests, wild life, flora and fauna. The state must promote environmental research, the dissemination of environmental

information and the creation of environmental awareness among the people.

Table 1

Share of Agriculture and Allied Sector in total GCF (%)

Year	Public Sector	Private Sector	Total
1987-88	10.1	13.2	11.7
1988-89	8.8	9.7	9.3
1989-90	7.5	9.1	8.4
1990-91	7.1	11.9	9.9
1991-92	6.6	9.9	8.7
1992-93	6.7	10.5	9.1
1993-94	6.9	9.4	8.4
1994-95	6.7	7.7	7.3
1995-96	7.1	5.9	6.2
1996-97	7.0	7.5	7.4
1997-98	6.2	7.5	7.1
1998-99	5.7	7.8	7.2
1999-2000	5.1	8.2	7.2
2000-01*	4.9	8.2	7.1

* Quick estimates

Source: Central Statistical Organisation, New Delhi.

Table 2

Changes in the distribution of land holdings in India
from 1980-81 to 1990-91
(Numbers in 000' area in 000' hectare)

Major size classes	Number			Area		
	1980-81	1985-86	1990-91	1980-81	1985-86	1990-91
Marginal (below 1 hectare)	50,122 (56.4)	56,147 (57.8)	63,389 (59.4)	19,735 (12.0)	22,042 (13.4)	24,894 (15.1)
Small (1 to 2 hectare)	16,072 (18.1)	17,922 (18.4)	20,092 (18.8)	23,169 (14.2)	25,708 (15.6)	28,827 (17.4)
Semi-medium (2 to 4 hectare)	12,455 (14.0)	13,252 (13.6)	13,923 (13.1)	34,645 (21.2)	36,666 (22.3)	38,375 (23.2)
Medium (4 to 10 hectare)	8,068 (9.1)	7,916 (8.2)	7,580 (7.1)	48,470 (29.6)	47,144 (28.6)	44,752 (27.0)
Large (10 hectare and above)	2,166 (2.4)	1,918 (2.0)	1,654 (1.6)	37,705 (23.0)	33,002 (20.1)	28,659 (17.3)
All size classes	88,883 (100)	97,155 (100)	1,06,637 (100)	1,63,724 (100)	1,64,562 (100)	1,65,507 (100)

Note: Figures within parentheses indicate percent contribution.

Source: Agricultural Statistics at a glance, 2001, Directorate of Economics and Statistics, Ministry of Agriculture, government of India.

Table 3

Comparative yield of principal crops (Kg per hectare)

Country	Paddy	Wheat	Maize	Groundnut	Sugarcane
India	2929	2583	1667	913	68012
China	6321	3969	4880	2799	85294
Japan	6414			2336	
USA	6622	2872	8398	3038	80787
Indonesia	4261		2646	1523	
Canada		2591	7974		
Vietnam	4105			1435	
World average	3845	2711	4313	1336	65689
Rank of India in production in the world	Second after China	Second after China	Accounts for only little over 4% of world's production	Second after China	Second after China

Source: Agriculture at a glance, 2002, Ministry of Agriculture.

Table 4

Improvement in Yield (kg/hectare)

Country	1979-81	1996-98
France	4700	7126
Egypt	4053	6595
S. Korea	4986	6450
Germany	4166	6366
Japan	5252	6017
Australia	4143	5693
USA	4151	5380
China	3027	4821
Brazil	2047	4081
Indonesia	2837	3916
Vietnam	2049	3754
Argentina	2183	3284
Sri Lanka	2462	3103
Malaysia	2828	3065
Thailand	1911	2466
India	1324	2200
Australia	1321	1973
Cuba	2458	1973

Source: World Development Indicators, 2000

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[1] Mishra, Surjya Kanta and Rawal, Vikas (2002) “Agrarian Relations in Contemporary West Bengal and Tasks for the Left”, in Ramachandran, V. K. and Swaminathan , Madhura (ed), *Agrarian Studies: Essays on Agrarian Relations in Less Developed Countries*, Tulika , New Delhi.