

## Agrarian Crisis and Climate Catastrophe: Forged in India, Made in Washington

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*India is under siege from international capital. It is on course not only to be permanently beholden to US state-corporate interests but is heading towards environmental catastrophe much faster than many may think.*

According to the World Bank's lending report, based on data compiled up to 2015, India was easily the largest recipient of its loans in the history of the institution. Unsurprisingly, therefore, the World Bank exerts a certain hold over India. In the 1990s, the IMF and World Bank wanted India to shift hundreds of millions out of agriculture. In return for up to £90 billion in loans, India was directed to dismantle its state-owned seed supply system, reduce subsidies, run down public agriculture institutions and offer incentives for the growing of cash crops to earn foreign exchange.

The plan for India involves the mass displacement of people to restructure agriculture for the benefit of powerful corporations. This involves shifting at least 400 million from the countryside into cities. A 2016 UN report said that by 2030, Delhi's population will be 37 million.

Quoted in The Guardian, one of the report's principal authors, **Felix Creutzig**, says:

*"The emerging mega-cities will rely increasingly on industrial-scale agricultural and supermarket chains, crowding out local food chains."*

The drive is to entrench industrial farming, commercialise the countryside and to replace small-scale farming, the backbone of food production in India. It could mean hundreds of millions of former rural dwellers without any work given that India is heading (or has already reached) 'jobless growth'. Given the trajectory the country seems to be on, it does not take much to imagine a countryside with vast swathes of chemically-drenched monocrop fields containing genetically modified plants or soils rapidly turning into a chemical cocktail of proprietary biocides, dirt and dust.

The WTO and the US-India Knowledge Initiative on Agriculture are facilitating the process. To push the plan along, there is a deliberate strategy to make agriculture financially non-viable for India's small farms and to get most farmers out of farming. As Felix Creutzig suggests, the aim is to replace current structures with a system of industrial (GM) agriculture suited to the needs of Western agribusiness, food processing and retail concerns.

Hundreds of thousands of farmers in India have taken their lives since 1997 and many more are experiencing economic distress or have left farming as a result of debt, a shift to (GM) cash crops and economic liberalisation. The number of cultivators in India declined from 166 million to 146 million between 2004 and 2011. Some 6,700 left farming each day. Between 2015 and 2022 the number of cultivators is likely to decrease to around 127 million.

For all the discussion in India about loan waivers for farmers and raising income levels, this does not address the core of the problem affecting agriculture: the running down of the sector for decades, spiralling input costs, lack of government assistance and the impacts of cheap, subsidised imports which depress farmers' incomes.

Take the cultivation of pulses, for instance. According to a report in the Indian Express (Sept 2017), pulses production increased by 40% during the previous 12 months (a year of record production). At the same time, however, imports also rose resulting in black gram selling at 4,000 rupees per quintal (much less than during the previous 12 months). This has effectively driven down prices thereby reducing farmers already meagre incomes. We have already witnessed a running down of the indigenous edible oils sector thanks to Indonesian palm oil imports on the back of World Bank pressure to reduce tariffs (India was virtually self-sufficient in edible oils in the 1990s but now faces increasing import costs).

On the one hand, there is talk of India becoming food secure and self-sufficient; on the other, there is pressure from the richer nations for the Indian government to further reduce support given to farmers and open up to imports and 'free' trade. But this is based on hypocrisy.

Writing on the 'Down to Earth' website in late 2017, **Sachin Kumar Jain** states some 3.2 million people were engaged in agriculture in the US in 2015. The US govt provided them each with a subsidy of \$7,860 on average. Japan provides a subsidy of \$14,136 and New Zealand \$2,623 to its farmers. In 2015, a British farmer earned \$2,800 and \$37,000 was added through subsidies. The Indian govt provides on average a subsidy of \$873 to farmers. However, between 2012 and 2014, India reduced the subsidy on agriculture and food security by \$3 billion.

According to policy analyst **Devinder Sharma** subsidies provided to US wheat and rice farmers are more than the market worth of these two crops. He also notes that, per day, each cow in Europe receives subsidy worth more than an Indian farmer's daily income.

How can the Indian farmer compete with an influx of artificially cheap imports? The simple answer is that s/he cannot and is not meant to.

The opening up of India to foreign capital is supported by rhetoric about increasing agricultural productivity, creating jobs and boosting GDP growth. But India is already self-sufficient in key staples and even where productivity is among the best in the world, farmers still face massive financial distress. Given that jobs are being destroyed, relatively few are being created and that as a measure of development GDP growth is unsustainable and has actually come at the expense of deliberately impoverished farmers in India (low food prices), what we are hearing is mere rhetoric to try to convince the public that an increasing concentration of wealth in the hands of a relative few corporations - via deregulations, privatisations and lower labour and environmental protection standards -

constitutes progress.

We can already see the outcome of these policies across the world: the increasing power of unaccountable financial institutions, record profits and massive increases in wealth for elite interests and, for the rest, disempowerment, mass surveillance, austerity, job losses, the erosion of rights, weak unions, cuts to public services, environmental degradation, spiraling national debt and opaque, corrupt trade deals, such as TTIP, CETA, [RCEP](#) (affecting India) and TPA.

### **Making India 'business friendly'**

PM Modi is on record as saying that India is now one of the most business-friendly countries in the world. The code for being 'business friendly' translates into a willingness by the government to facilitate much of the above, while reducing taxes and tariffs and allowing the acquisition of public assets via privatisation as well as instituting policy frameworks that work to the advantage of foreign corporations.

Image on the right: World Bank Group President Jim Yong Kim and India PM Narendra Modi



When the World Bank rates countries on their level of 'ease of doing business', it means national states facilitating policies that force working people to take part in a race to the bottom based on free market fundamentalism. The more 'compliant' national governments make their populations and regulations, the more 'business friendly' a country is.

In the realm of agriculture, the World Bank's 'Enabling the Business of Agriculture' entails opening up markets to Western agribusiness and their fertilisers, pesticides, weedicides and patented seeds. Rather than work to eradicate corruption, improve poor management, build storage facilities and deal with inept bureaucracies and deficiencies in food logistics, the mantra is to let 'the market' intervene: a euphemism for letting powerful corporations take control; the very transnational corporations that receive massive taxpayer subsidies, manipulate markets, write trade agreements and institute a regime of intellectual property rights thereby indicating that the 'free' market only exists in the warped delusions of those who churn out clichés about letting the market decide.

According to the neoliberal ideologues, foreign investment is good for jobs and good for business. But just how many actually get created is another matter - as is the amount of jobs destroyed in the first place to pave the way for the entry of foreign corporations. For example, Cargill sets up a food or seed processing plant that employs a few hundred people; but what about the agricultural jobs that were deliberately eradicated in the first place or the village-level processors who were cynically put out of business via bogus health and safety measures so Cargill could gain a financially lucrative foothold?



The process resembles what **Michel Chossudovsky** notes in his 1997 book about the 'structural adjustment' of African countries. In 'The Globalization of Poverty', he says that economies are:

"opened up through the concurrent displacement of a pre-existing productive system. Small and medium-sized enterprises are pushed into bankruptcy or

obliged to produce for a global distributor, state enterprises are privatised or closed down, independent agricultural producers are impoverished.” (p.16)

If people are inclined to think farmers would be better off as foreign firms enter the supply chain, we need only look at the plight of farmers in India who were tied into contracts with Pepsico. Farmers were pushed into debt, reliance on one company and were paid a pittance

India is looking to US corporations to ‘develop’ its food and agriculture sector. With regard to what this could mean for India, we only have to look at how the industrialised US system of food and agriculture relies on massive taxpayer subsidies and has destroyed farmers’ livelihoods. The fact that US agriculture now employs a tiny fraction of the population serves as a stark reminder for what is in store for Indian farmers. Agribusiness companies (whose business model in the US is based on overproduction and dependent on taxpayer subsidies) rake in huge returns, while depressed farmer incomes and massive profits for food retailers is the norm.

The long-term plan is for an overwhelmingly urbanised India with a fraction of the population left in farming working on contracts for large suppliers and Walmart-type supermarkets that offer a largely monoculture diet of highly processed, denutriented, genetically altered food based on crops soaked with chemicals and grown in increasingly degraded soils according to an unsustainable model of agriculture that is less climate/drought resistant, less diverse and unable to achieve food security.

The alternative would be to protect indigenous agriculture from rigged global trade and trade deals and to implement a shift to sustainable, localised agriculture which grows a diverse range of crops and offers a healthy diet to the public.

Instead, we see the push for bogus ‘solutions’ like GMOs and an adherence to neoliberal ideology that ultimately privileges profit and control of the food supply by powerful private interests, which have no concern whatsoever for the health of the public.

Taxpayer-subsidised agriculture in the US ultimately promotes obesity and disease by supporting the health damaging practices of the food industry. Is this what Indians want to see happen in India to their food and health?

Unfortunately, the process is already well on track as ‘Western diseases’ take hold in the country’s urban centres. For instance, there are massive spikes in the rates of obesity and diabetes. Although around 40 per cent of the nation’s under-5s are underweight, the prevalence of underweight children in India is among the [highest in the world](#); at the same time, the country is fast becoming the diabetes and heart disease capital of the world.

Devinder Sharma has highlighted where Indian policy makers’ priorities lie when he says that agriculture has been systematically killed over the last few decades. He adds that 60% of the population lives in the villages or in the rural areas and is involved in agriculture but less than two percent of the annual budget goes to agriculture: when you are not investing in agriculture, you are not wanting it to perform.

Support given to agriculture is portrayed as a drain on the economy and is reduced and farmers suffer yet it still manages to deliver bumper harvests year after year. On the other hand, corporate-industrial India has failed to deliver in terms of boosting exports or

creating jobs, despite the hand outs and tax exemptions given to it.

The number of jobs created in India between 2005 and 2010 was 2.7 million (the years of high GDP growth). According to International Business Times, 15 million enter the workforce every year. And data released by the Labour Bureau shows that in 2015, jobless 'growth' had finally arrived in India.

So where are the jobs going to come from to cater for hundreds of millions of agricultural workers who are to be displaced from the land or those whose livelihoods will be destroyed as transnational corporations move in and seek to capitalise small-scale village-level industries that currently employ tens of millions?

Development used to be about breaking with colonial exploitation and radically redefining power structures. Now we have dogma masquerading as economic theory that compels developing countries to adopt neo-liberal policies. The notion of 'development' has become hijacked by rich corporations and the concept of poverty depoliticised and separated from structurally embedded power relations, not least US-driven neoliberal globalisation policies resulting in the deregulation of international capital that ensures giant transnational conglomerates have too often been able to ride roughshod over national sovereignty.

Across the world we are seeing treaties and agreements over breeders' rights and intellectual property have been enacted to prevent peasant farmers from freely improving, sharing or replanting their traditional seeds. Large corporations with their proprietary seeds and synthetic chemical inputs have eradicated traditional systems of seed exchange. They have effectively hijacked seeds, pirated germ plasm that farmers developed over millennia and have 'rented' the seeds back to farmers. As a result, genetic diversity among food crops has been drastically reduced, and we have bad food and diets, degraded soils, water pollution and scarcity and spiralling rates of poor health.

Corporate-dominated agriculture is not only an attack on the integrity of 'the commons', soil, water, food, diets and health but is also an attack on the integrity of international institutions, governments and officials which have too often been corrupted by powerful transnational entities.

Whereas some want to bring about a fairer, more equitable system of production and distribution to improve people's quality of lives (particularly pertinent in India with its unimaginable inequalities which have spiraled since India adopted neoliberal policies), Washington regards 'development' as a way to further US interests globally.

As economics professor **Michael Hudson** said during a 2014 interview (published on [prosper.org](http://prosper.org) under the title 'Think Tank Times'):

"American foreign policy has almost always been based on agricultural exports, not on industrial exports as people might think. It's by agriculture and control of the food supply that American diplomacy has been able to control most of the Third World. The World Bank's geopolitical lending strategy has been to turn countries into food deficit areas by convincing them to grow cash crops - plantation export crops - not to feed themselves with their own food crops."

Of course, many others such as **Walden Bello**, **Raj Patel** and **Eric Holtz-Gimenez** have



written on how a geopolitical 'stuffed and starved' strategy has fuelled this process over the decades.

### **Capitalism and environmental catastrophe joined at the hip**

In India, an industrialised chemical-intensive model of agriculture is being facilitated that brings with it the numerous now well-documented externalised social, environmental and health costs. We need look no further than the current situation in South India and the drying up of the Cauvery river in places to see the impact that this model has contributed to: an ecological crisis fuelled by environmental devastation due to mining, deforestation and unsustainable agriculture based on big dams, water-intensive crops and Green Revolution ideology imported from the West.



But we have known for a long time now that India faces major environmental problems rooted in agriculture. For example, in an open letter written to officials in 2006, the late campaigner and farmer **Bhaskar Save** (image on the right) noted that India, next to South America, receives the highest rainfall in the world. Where thick vegetation covers the ground, and the soil is alive and porous, at least half of this rain is soaked and stored in the soil and sub-soil strata. A good amount then percolates deeper to recharge aquifers, or 'groundwater tables'. Save argued that the living soil and its underlying aquifers thus serve as gigantic, ready-made reservoirs gifted free by nature.

Half a century ago, most parts of India had enough fresh water all year round, long after the rains had stopped and gone. But clear the forests, and the capacity of the earth to soak the rain, drops drastically. Streams and wells run dry.

Save went on to note that while the recharge of groundwater has greatly reduced, its extraction has been mounting. India is presently mining over 20 times more groundwater each day than it did in 1950. Much of this is mindless wastage by a minority. But most of India's people - living on hand-drawn or hand-pumped water in villages and practising only rain-fed farming - continue to use the same amount of ground water per person, as they did generations ago.

According to Save, more than 80% of India's water consumption is for irrigation, with the largest share hogged by chemically cultivated cash crops. Maharashtra, for example, has the maximum number of big and medium dams in the country. But sugarcane alone, grown on barely 3-4% of its cultivable land, guzzles about 70% of its irrigation waters.

One acre of chemically grown sugarcane requires as much water as would suffice 25 acres of jowar, bajra or maize. The sugar factories too consume huge quantities. From cultivation to processing, each kilo of refined sugar needs two to three tonnes of water. This could be used to grow, by the traditional, organic way, about 150 to 200 kg of nutritious jowar or

bajra (native millets).

While rice is suitable for rain-fed farming, its extensive multiple cropping with irrigation in winter and summer as well is similarly hogging water resources and depleting aquifers. As with sugarcane, it is also irreversibly ruining the land through salinization.

Save argued that soil salinization is the greatest scourge of irrigation-intensive agriculture, as a progressively thicker crust of salts is formed on the land. Many million hectares of cropland have been ruined by it. The most serious problems are caused where water-guzzling crops like sugarcane or basmati rice are grown round the year, abandoning the traditional mixed-cropping and rotation systems of the past, which required minimal or no watering.

Salinization aside, looking at the issue of soil more generally, Stuart Newton, a researcher and botanist living in India, says that India must restore and nurture its depleted, abused soils and not harm them any further with chemical overload. Through his analyses of Indian soils, he has offered detailed insights into their mineral compositions and links their depletion to the Green Revolution. In turn, these depleted soils in the long-term cannot help but lead to mass malnourishment. This is quite revealing given that proponents of the Green Revolution claim it helped reduced malnutrition.

Various high-level official reports, not least the International Assessment of Agricultural Knowledge and Science for Development Report, state that smallholder, traditional farming can deliver food security in low-income countries through sustainable agroecological systems. Moreover, given India's huge range of biodiversity (India is one of Nikolai Vavilov's strategically globally important centres of plant diversity) that has been developed over millennia to cope with diverse soil and climate conditions, the country should on its own be more than capable of addressing challenges that lie ahead due to climate change.

Instead, policy makers continue to look towards the likes of Monsanto-Bayer for 'solutions'. Such companies merely seek to break farmers' environmental learning 'pathways' based on centuries of indigenous knowledge, learning and practices with the aim of getting farmers hooked on chemical treadmills for corporate profit (see Glenn Stone and Andrew Flach's 2017 paper in the *Journal of Peasant Studies*, 'The ox fall down: path-breaking and technology treadmills in Indian cotton agriculture').

Wrong-headed policies in agriculture have already resulted in drought, expensive dam-building projects, population displacement and degraded soils. The rivers are drying, farmers are dying and the cities are creaking as a result of the unbridled push towards urbanisation.

In terms of managing water resources, regenerating soils, and cultivating climate resilient crops, agroecology as a solution is there for all to see. Andhra Pradesh is now making a concerted effort to roll-out zero budget agroecological agriculture across the state. However, in the absence of this elsewhere across India, agroecological approaches will be marginalised.

India faces huge problems in terms of securing access to water. As Bhaskar Save noted, the shift to Green Revolution thinking and practices (underpinned by geopolitical and commercial interests: World Bank loans; export-oriented monocropping, commodity crop

trade and dependency on the US dollar; seed sovereignty issues and costly proprietary inputs, etc) has placed enormous strain on water resources.

From glacial melt in the Himalayas that will contribute to the drying up of important rivers to the effects of temperature rises across the Indo Gangetic plain, which will adversely impact wheat productivity, India has more than its fair share of problems. But despite this, high-level policy makers are pushing for a certain model of 'development' that will only exacerbate the problems.

This model is being driven by some of the world's largest corporate players: a model that by its very nature leads to environment catastrophe:

"... our economic system demands ever-increasing levels of extraction, production and consumption. Our politicians tell us that we need to keep the global economy growing at more than 3% each year - the minimum necessary for large firms to make aggregate profits. That means every 20 years we need to double the size of the global economy - double the cars, double the fishing, double the mining, double the McFlurries and double the iPads. And then double them again over the next 20 years from their already doubled state."  
- **Jason Hickel**, writing in The Guardian (July 2016).

Politicians and bureaucrats in Delhi might be facilitating this model and the system of agriculture it is tied to, but it is ultimately stamped with the logo 'made in Washington'.

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**Colin Todhunter** is a frequent contributor to Asia-Pacific Research.

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