

Indian Farmers on the Frontline Against Global Capitalism

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In a [short video](#) on the [empirediaries.com](#) YouTube channel, a protesting farmer camped near Delhi says that during lockdown and times of crisis farmers are treated like “gods”, but when they ask for their rights, they are smeared and labelled as “terrorists”.

He, along with thousands of other farmers, are mobilising against three important pieces of farm legislation that were recently forced through parliament. To all intents and purposes, these laws sound a neoliberal death knell for most of India’s cultivators and its small farms, the backbone of the nation’s food production.

The farmer says:

“Corporates invested in Modi before the election and brought him to power. He has sold out and is an agent of Ambani and Adani. He is unable to repeal the bills because his owners will scold him. He is trapped. But we are not backing down either.”

He then asks whether ministers know how many seeds are needed to grow wheat on an acre of land:

“We farmers know. They made these farm laws sitting in air-conditioned rooms. And they are teaching us the benefits!”

While the corporations that will move in on the sector due to the legislation will initially pay good money for crops, once the public sector markets (*mandis*) are gone, the farmer says they will become the only buyers and will beat prices down.

He asks why, in other sectors, do sellers get to put price tags on their products but not farmers:

“Why can’t farmers put minimum prices on the crops we produce? A law must be brought to guarantee MSP [minimum support prices]. Whoever buys below MSP must be punished by law.”

The recent agriculture legislation represents the final pieces of a 30-year-old plan which will benefit a handful of billionaires in the US and in India. It means the livelihoods of hundreds

of millions (the majority of the population) who still (directly or indirectly) rely on agriculture for a living are to be sacrificed at the behest of these elite interests.

Consider that much of the UK's wealth came from sucking \$45 trillion from India alone according to [renowned economist Utsa Patnaik](#). Britain grew rich by underdeveloping India. What amount to little more than modern-day East India-type corporations are now in the process of helping themselves to the country's most valuable asset - agriculture.

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. The World Bank thus exerts a certain hold over India: on the back of India's foreign exchange crisis in the 1990s, the IMF and World Bank wanted India to shift hundreds of millions out of agriculture.

In return for up to more than \$120 billion in loans at the time, 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 involves shifting at least 400 million from the countryside into cities.

The details of this plan appear in a January 2021 article by the Research Unit for Political Economy, '[Modi's Farm Produce Act Was Authored Thirty Years Ago, in Washington DC](#)'. The piece says that the current agricultural 'reforms' are part of a broader process of imperialism's increasing capture of the Indian economy:

"Indian business giants such as Reliance and Adani are major recipients of foreign investment, as we have seen in sectors such as telecom, retail, and energy. At the same time, multinational corporations and other financial investors in the sectors of agriculture, logistics and retail are also setting up their own operations in India. Multinational trading corporations dominate global trade in agricultural commodities. For all these reasons, international capital has a major stake in the restructuring of India's agriculture... The opening of India's agriculture and food economy to foreign investors and global agribusinesses is a longstanding project of the imperialist countries."

The article provides details of a 1991 World Bank memorandum which set out the programme for India. It adds:

"At the time, India was still in its foreign exchange crisis of 1990-91 and had just submitted itself to an IMF-monitored 'structural adjustment' programme. Thus, India's July 1991 budget marked the fateful start of India's neoliberal era."

It states that now the Modi government is dramatically advancing the implementation of the above programme, using the Covid-19 crisis as cover: the dismantling of the public procurement and distribution of food is to be implemented by the three agriculture-related acts passed by parliament.

The drive is to drastically dilute the role of the public sector in agriculture, reducing it to a facilitator of private capital and leading to the entrenchment of industrial farming and the replacement of small-scale farms. The norm will be industrial (GMO) commodity-crop agriculture suited to the needs of the likes of Cargill, Archer Daniels Midlands, Louis Dreyfus,

Bunge and India's retail and agribusiness giants as well as the global agritech, seed and agrochemical corporations. It could result in hundreds of millions of former rural dwellers without any work given that India is heading (has already reached) jobless growth.

As a result of the ongoing programme, more than 300,000 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 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.

We have seen the running down of the sector for decades, spiralling input costs, withdrawal 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 (September 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 effectively pushed 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 (which benefits Cargill) 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).

The pressure from the richer nations for the Indian government to further reduce support given to farmers and open up to imports and export-oriented 'free market' trade is based on nothing but hypocrisy.

On the 'Down to Earth' website in late 2017, it was stated some 3.2 million people were engaged in agriculture in the US in 2015. The US government 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 government 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.

The Indian farmer simply cannot compete with this. The World Bank, World Trade Organisation and the IMF have effectively served to undermine the indigenous farm sector in India. The long-term goal has been to displace the peasantry and consolidate a corporate-controlled model.

And now, by reducing public sector buffer stocks and introducing corporate-dictated contract farming and full-scale neoliberal marketisation for the sale and procurement of produce, India will be sacrificing its farmers and its own food security for the benefit of a handful of billionaires.

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