

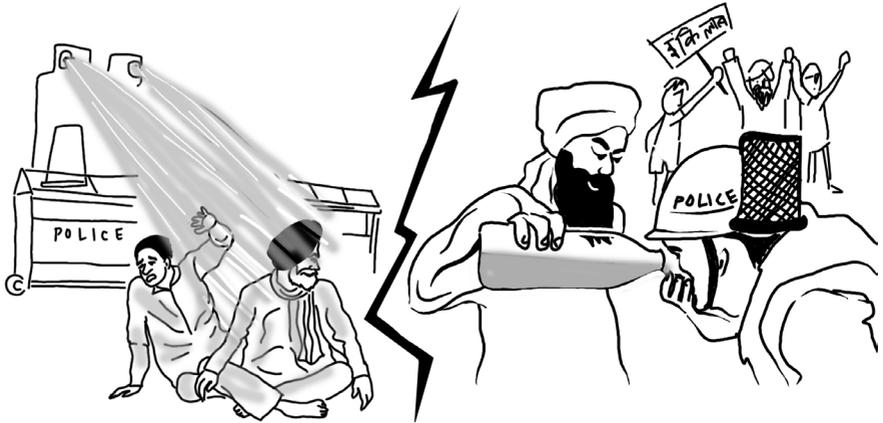


Meeting at Tikri border protest site

Peasant Agitation against Three Acts: Not Their Fight Alone

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As we write this, some hundreds of thousands of peasants – men, women, youth and children – are camping at entry points to the country's capital, demanding the scrapping of the three farm legislations recently imposed on the country by the present Central Government. It has been some time since the country has witnessed such an inspiring challenge to the policies of the rulers. It is especially inspiring because it is organised on class demands of the working people.



The Central Government, which began by fortifying the city as if against an invading army, firing water cannon and tear gas on the peaceful protesters, has been compelled to change its stance. It has been forced to call them for unconditional talks. Experience tells us this is a merely tactical shift, and the rulers have no intention of changing the thrust of their basic policies.

Nevertheless, the rulers' climbdown is in itself a significant victory for the peasant agitation. There is, moreover, widespread sympathy for the cause of the peasants nationwide.

Below we make a few points with regard to the broader significance of the agitation and the questions underlying it. These points may not be novel, but we feel they need to be focused on.

1. Threat posed to the peasantry

The immediate aim of the peasant agitation is the scrapping of the three farm Acts¹ (these bypass the Agricultural Produce Marketing Committee (APMC) mandis, do away with limits on stocking agricultural commodities, and facilitate contract farming). The Government claims it is giving peasants the “freedom” to sell their crops anywhere to anyone, they will not be compelled to go to the mandis. In fact most peasants in India already have that “freedom”, and as a result they face much worse exploitation. In direct opposition to the Government’s claim, what peasants want is not this bogus “freedom”, but the security that their crops will be procured by state agencies at the Minimum Support Price (MSP). Rice and wheat growing peasants of certain states, have had such a guarantee. That is now being taken away, under cover of “liberating” peasants from the APMC mandis.



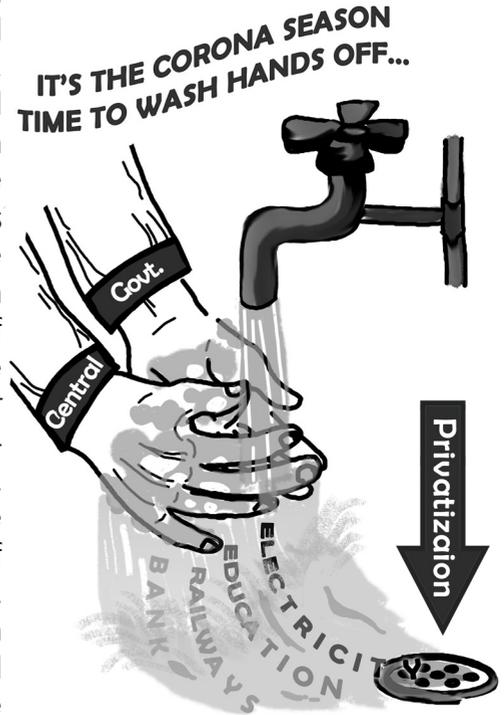
These Acts will lead to a situation where corporate firms will procure crops from peasants at unregulated prices, hoard

stocks, and control agricultural trade. (Besides, the Electricity Amendment Bill will result in a steep rise in electricity costs for agriculture, squeezing the peasantry. So the peasant organisations have demanded that it too be scrapped.)

As the food supply chain comes under greater and greater corporate control, the working peasantry stand to lose their landholdings in one way or the other. Since it is cheaper for corporations to deal with a few, large standardised suppliers than to handle a large number of small suppliers, it will become increasingly difficult for small peasants in the surplus-producing states to survive. Small peasants constitute the overwhelming bulk of farmers, even in Punjab. Already struggling between the scissors of input and output prices, they may be forced to part with their hold-

ings. (Those who survive may come under tighter corporate control and supervision over the production process, so that in effect they hold only the paper rights to the land.)

Larger, more mechanised farms will require a smaller labour force. Thus, while the agitation is described as a “farmer” agitation, it represents principally the interests of poor and middle peasants, not all “farmers”.



2. Basic thrust: to wind up public procurement and the public distribution system (PDS)

While those agitating at Delhi are toiling peasants, they may not be the most downtrodden and impoverished of India's peasants. These most downtrodden can be found in the agriculturally backward regions of our country, and their crops are never procured by any official agency at the MSP. However, the present peasant agitation is in the interests of the latter peasants as well.

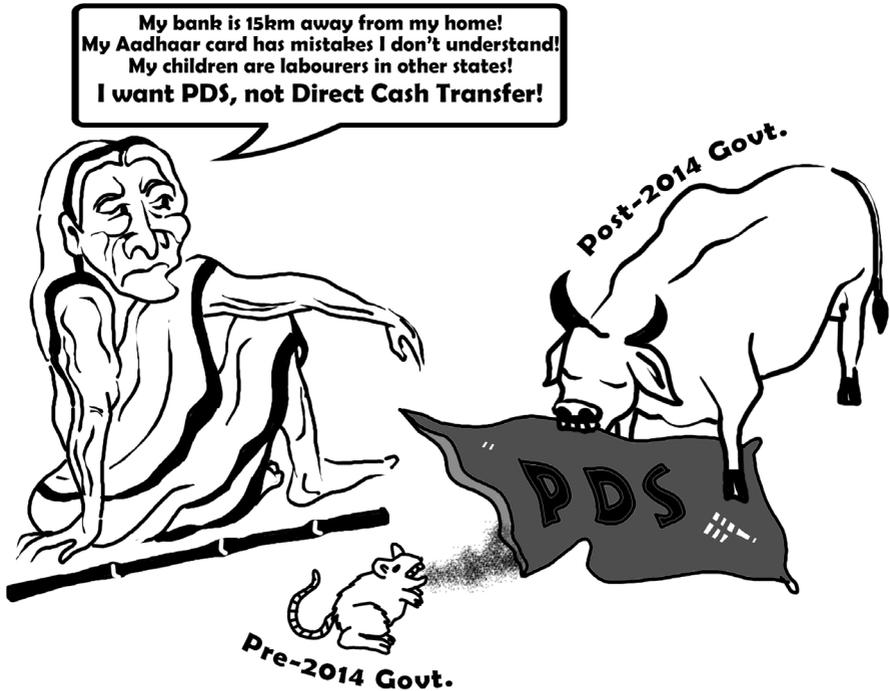
To repeat, the crux of the peasant agitation is the demand for a guarantee of continuing public procurement of foodgrain at MSP, on an open-ended basis (i.e., all grain offered for sale will be procured by public sector bodies at mandis, at MSP).

The Public Distribution System (PDS) is based on this procurement. The significance of the peasants' demand is thus not limited to their own livelihood. The Minimum Support Price regime can be effective only for the crops in which there is public procurement, principally wheat and rice. The Act allowing the bypassing of the APMCs in effect spearheads the winding up of public procurement of foodgrains.

This system of public procurement and distribution has been under veiled attack for some years, and now has been under open attack since 2014, when the newly-elected Modi govt. set up the High Level Committee (HLC) on Reorienting the Role and Restructuring of the Food Corp. of India, headed by BJP leader Shanta Kumar. The Shanta Kumar Committee report, submitted in 2015, calls in effect for eliminating both public procurement and distribution, and for substituting them deceptively with cash transfers. Cash transfers, in fact, will compensate neither the peasant, nor the consumer, for reasons we will explain later (in a separate piece).

If procurement is undermined or dismantled, PDS will be wound down further, with grave consequences for all working people across the country. As they are forced to

purchase food at higher prices, their real incomes (i.e., what their money incomes can buy) will fall.

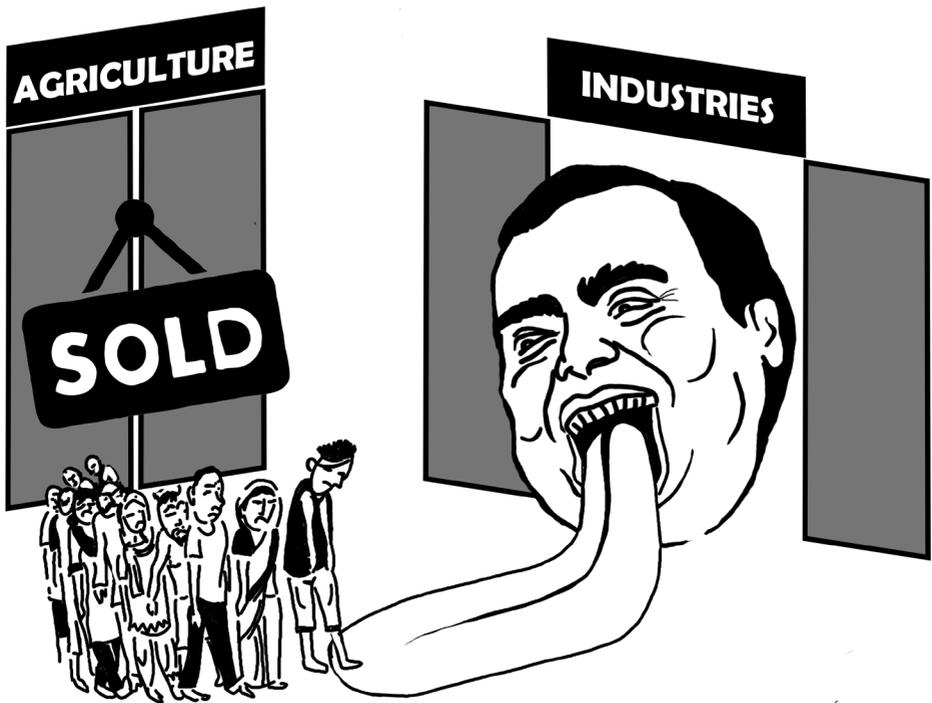


Thus the present demand to scrap the new anti-peasant laws is in fact an immediate demand of India's working people, not only a demand of the peasants from the surplus grain producing areas, nor only of the peasantry as a whole.

3. Depression of wages and aggregate demand

Since the situation of even industrial employment is bleak, the peasants displaced from agriculture cannot be absorbed in any other sector. India's labour force is much too large for emigration to absorb a significant share, and anyway such opportunities abroad are vanishing fast. So the displaced peasants will join the reserve army of labour, and this rise in the reserve army will depress the general

level of wages, as desperate labourers compete for scarce jobs. The process of shrinking employment and depressed wages will depress aggregate demand, in turn further reducing employment.



4 .Rendering the country even more vulnerable to imperialist pressure

A country that does not ensure its food security will remain vulnerable to arm-twisting by imperialist powers. During India's mid-1960s food crisis, the cash-strapped country was compelled to import large amounts of wheat as food aid from the United States (which was trying hard at the time to export its wheat surpluses). The US used this "aid" as a lever to dictate India's economic and foreign policy.

The Shanta Kumar Committee report glibly declares

that those days are gone: it claims India has huge foreign exchange reserves, and can make large grain imports without batting an eyelid; and its foodgrains production is more than sufficient for its needs. Hence there is no need for public procurement, stocking, and distribution of foodgrains, i.e., the Food Corporation of India and the PDS can for all practical purposes be wound up.

However, India's foreign exchange reserves are not built up out of export surpluses, and hence they are not secure. Rather, they consist entirely of borrowings and other liabilities, and about four-fifths of them can be withdrawn at short notice by foreign investors. For this reason, despite the country's central bank holding unprecedented levels of foreign exchange reserves, the Indian government has been lobbying with the US government for foreign exchange "swap lines", a type of borrowing between central banks which can be availed of in an emergency. (If the US were to provide India swap lines, it would extract a price in strategic and economic terms.)

If India's food security rests solely on the shaky foundations of its foreign exchange reserves, without any physical grain reserves, a foreign exchange crisis can rapidly become a food crisis as well. Moreover, when a large country like India enters the world grain market as a big importer, international grain prices would rise sharply. Imagine if, at the time of the Covid lockdown, which was also a period of very rapid outflows of foreign capital, India did not have substantial food stocks, but had to start the process of imports.

In recent years India has faced severe pressure to open up its agricultural markets. It has been the target of concerted campaigns at the World Trade Organisation by various exporting countries, who have termed India's policies regarding rice, wheat, pulses, cotton and sugar as violative of the WTO Agreement on Agriculture (AoA). The US has been spearheading this drive, contesting India's

claims that its support to Indian agricultural producers is in keeping with the AoA. At the Bali conference of the WTO in 2013, India's food procurement and public stockholding programme was condemned by developed countries.



With the support of some other Third World countries, India won a temporary reprieve, a "peace clause" (in exchange for conceding something else), suspending any punitive action till a resolution was achieved. However, the

developed countries have been unwilling to resolve this issue, and instead have kept up the pressure on India to withdraw support to its farmers. At a virtual WTO meet May 25 this year, at the height of Covid crisis, food exporting countries criticised the new aid packages being provided to farmers by some governments in response to the crisis claiming they would “distort” global food trade.

Even as India put up a display of opposition at the WTO, the Government’s steps towards winding up public procurement in essence unilaterally concede the substance of the dispute – in favour of the developed countries. The developed countries know well that, once the FCI no longer exists in its present form, India’s seeming self-sufficiency in grain can get eroded quickly. Further, without the weapon of large physical buffer stocks of foodgrains, the Government will be powerless to intervene against profiteering private corporations. And so the crisis of India’s agriculture and food system in 1965 is still relevant to India today.

5. India in the mirror of Mexico

The above warnings are not speculation or scare-mongering. They are simply conclusions drawn from observation of the worldwide pattern of the impact of liberalisation, privatisation and globalisation on agriculture. For example, this is precisely the model imposed on Mexican agriculture since the 1990s, and more particularly since 1994 (the North American Free Trade Agreement).

- Mexico’s state trading agency (its equivalent of FCI) was dismantled.
- All state measures to support agricultural production were slowly wound down.
- Subsidies on its staple food (corn) were slowly wound down, and these were replaced by selective cash transfers to peasants and consumers.
- Imports of US corn (to Mexico, which is the very home of maize

- and the world's great treasury of maize varieties) tripled.
- Family farms in Mexico collapsed by well over half.
 - Total agricultural employment fell sharply, without adequate growth in other sectors to absorb the displaced peasants.
 - Thus unemployment nationwide rose.
 - The number under the poverty line rose.
 - More than half the population cannot meet basic needs and one-fifth cannot meet food needs.
 - The resulting demand depression caused Mexico's GDP growth rates to fall, to near the bottom for Latin America.
 - Emigration rose by nearly 80 per cent as desperate unemployed peasants tried to enter their northern neighbour.
 - The prices of the staple food (tortillas made from corn) rose steeply.
 - And the entire market for maize flour is controlled by just two Mexican firms (Grupo Maseca controls 85 per cent) – a position that Ambani, Adani and Walmart would like to occupy in India today. (We will provide details of this in a later blog post.)

6. Regime's standard response: division and communal poison



In response to the democratic movement of peasants, the regime resorted to its standard response: dividing the people and sowing communal poison. Since the largest contingent of peasant agitators are from Punjab, word seems to have gone out to pliable media chieftains that they should portray this

as a Punjabi agitation, and more particularly a Sikh agitation. The head of the BJP IT cell and the BJP Delhi spokesperson propagated that the farmers' agitation was led by Khalistani forces, or had a Khalistani agenda.

This has been quickly refuted. Indeed peasants from many other states, particularly Haryana, continue to flock to the agitation. But more basically, none of the agitators' demands pertains to Punjab as such; even less do they pertain to the religious identity of the Sikh community. There is not a single demand raised concerning the distribution of river waters, control over border regions, the status of holy places, religious symbols, religious restrictions, in a word, not an iota of basis for presenting a distorted picture of the agitation. Indeed some of the largest peasant and agricultural labour organisations leading the present mobilisations have long termed such issues as diversionary.

Although the new Acts have been foisted by the Central government on the states, the demands of the peasant agitation are also not demands of states versus the Centre. After all, the principal demand is not that states should be free to, say, export their crops to other countries disregarding the Centre and other states. Rather, the demand is precisely that the Centre should continue to procure the crops produced in these states and distribute them nationally. That is, the demands are purely secular, common class demands of the diverse peoples of India.

7. The test for the present regime

These Acts have not come out of the blue. Anyone who has tracked the progress of India's so-called "reforms" in agriculture knows that these measures have been pushed by powerful interests for more than two decades; the "Targeted Public Distribution System" introduced by Chidambaram as Finance Minister of the United Front government in the late 1990s dealt the first hammer-blow to the PDS. The

Congress-led UPA government too tried to subtly push the same agenda, but it was keenly aware of the difficulties involved, and could not make headway. Dissatisfied with the UPA government's inability to proceed on various pro-corporate "reform" of this nature, the ruling classes, prominently India's corporate sector, plumped for Modi before the 2014 general elections. This issue, then, is a test of the present regime's ability to serve the interests of the corporate sector and international capital.

8. Continuing viability of class struggle



India's democratic sections have faced intensified attacks from the present regime over the past six years. Some have repeatedly looked to the results of one or the other assembly or parliamentary election, and towards that end, various parliamentary alliances, in the hope that the juggernaut of repression can be stopped thereby. Their hopes have been repeatedly dashed, even where the election results turned out in line with those hopes.

Nevertheless, this relentless expansion of the BJP's power has not been able to prevent class struggles from emerging. As we argued after a peasants' march two years ago, "In other words, the apparent invincibility of the Modi regime is

concentrated in electoral politics and various wings of the State. In the field of class struggle, by contrast, it has been unable to prevent people from rising against it, and at places even winning their demands. That fact should be a pointer to where effort needs to be focused.”

Across the diverse conditions of India, peasants have been waging bitter struggles on a wide range of questions. At many places, they face exploitation at the hands of moneylenders, input dealers, traders and landlords (sometimes combined into a single person); at others, exploitation as agricultural labour; at others, eviction by forest officials; at others, corruption by local officialdom in league with private interests; at others, the usurping of their common resources by private interests; at others, displacement by rapacious corporate projects; at yet others, the robbery of their water resources by one or the other means, including pollution. It is necessary to see the struggle at Delhi as part of this broad stream of struggle of India’s toiling peasantry, that has a great liberating potential for Indian society.

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Nor should one expect otherwise, given the transformation they are seeking. It is up to those seeking a different form of addressing the agrarian crisis to take as their starting point the peasantry, particularly the small, marginal and landless, and locate the obstacles to the release of their productive, organisational, collective and transformational capacities.

Ultimately, all ruling class programmes to address the agrarian distress... separate the question of repairing “agriculture” from question of addressing the crisis of the peasantry that works it. They ignore the scope for the peasantry as an agent for the transformation of agriculture; indeed the dominant strain treats the peasantry as the main obstacle for such transformation.



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