

Surjya Kanta Mishra

On Agrarian Transition in West Bengal

INTRODUCTION

This article deals with changes in the agrarian situation in West Bengal over the last three decades, that is, since the inception of the Left Front Government in 1977. It also examines options before the Left Front at this juncture, as the Left Front Government strives to implement the policy programme to which it committed itself in the election manifesto issued before the Assembly elections of 2006.

While these are the specific objectives of this essay, we shall refer from time to time to all-India data and certain other issues that are relevant to our argument.

The article begins with a review of the data on the concentration of ownership and operation of land holdings in West Bengal and elsewhere in India. I then discuss certain aspects of contemporary agrarian relations and the farming and employment situations in the State, and finally deal with some issues of theory and policy before the Left Front Government and Left movement in respect of agrarian transition in West Bengal.

ISSUES OF LAND REFORM

Given the national and international situations, and the bankrupt anti-people policies pursued by successive bourgeois-landlord Governments in India, only limited land reforms could be accomplished in West Bengal. This limited success was made possible by the growing strength of the organised peasantry and of the Left and democratic movement as a whole. It was this strength that led to the formation of two United Front Governments in 1967 and 1969, and of the Left Front Government in 1977. This Government is a product of relentless class struggle; its existence further intensified the class struggle, leading to a change in the correlation of forces in favour of the working people. We will do well to remember the part played in the land reform by the sacrifices of over 3,500 martyr-comrades, by the members of the Kisan Sabha, the biggest organisation of the peasantry in the capitalist world today, and by the political will of the Left Front Government. West Bengal and the other Left-led States demonstrate what can be done by the Left even within the constraints of a bourgeois-landlord system.

Distribution of land holdings: the evidence from official sources of data

The pattern of distribution of ownership and operational holdings in West Bengal is distinct from the pattern in other States. This difference can, in substantial measure, be attributed to the land reform implemented in West

Bengal. Table 1 shows the percentage distribution of households in terms of the area owned by different strata of households and Table 2 does the same for operational holdings. A household ownership holding covers the area of land owned by a household, while an operational holding encompasses all land owned, leased in or otherwise possessed and is under the physical possession of a household as a techno-economic unit. These data are from the regular surveys by the National Sample Survey Organisation (NSSO).

Table 1 Distribution of ownership holdings, by size classes, West Bengal and India (as percentage of total)

State	Year	No of holdings					Area owned				
		Marginal	Small	Semi medium	Medium	Large	Marginal	Small	Semi medium	Medium	Large
West Bengal	2003	92.1	5.7	1.4	0.2	0.0	58.2	25.7	11.9	4.0	0.0
	1991	85.9	9.5	3.9	0.7	0.0	41.3	28.1	23.0	7.6	0.0
	1981	81.6	11.5	5.5	1.3	0.1	30.3	28.8	27.2	12.1	1.5
	1970	77.6	12.6	7.3	2.4	0.1	27.3	25.7	27.7	18.6	0.7
India	2003	79.6	10.8	6.0	3.0	0.6	23.1	20.4	22.0	23.1	11.6
	1991	71.9	13.4	9.3	4.5	0.9	16.9	18.6	24.6	26.1	13.8
	1981	66.6	14.7	10.8	6.5	1.4	12.2	16.5	23.6	29.8	18.1
	1971-72	62.6	15.5	11.9	7.8	2.1	9.8	14.7	21.9	30.7	22.9

Source: NSS Report No. 491, "Household Ownership Holdings in India," 2003

From the point of view of the revolutionary movement of the peasantry, these data have significant limitations. One important problem is that rural households here are stratified purely on the basis of the *extent* in hectares of the land owned or operated by households.¹ The NSS defines five such classes:

- Marginal holdings: 1 hectare or less
- Small holdings: 1-2 hectares
- Semi-medium holdings: 2-4 hectares
- Medium holdings: 4-10 hectares
- Large holdings: More than 10 hectares

Table 2 Distribution of operational holdings, by size classes, West Bengal and India (as percentage of total)

State	Year	No of holdings					Area operated				
		Marginal	Small	Semi medium	Medium	Large	Marginal	Small	Semi medium	Medium	Large
West Bengal	2002-03	88.8	8.9	2.1	0.2	0.0	58.3	26.7	12.2	2.7	0.0
	1991-92	80.7	13.4	5.0	0.9	0.0	40.0	30.7	22.1	7.3	0.0
	1981-82	74.3	15.8	8.1	1.7	0.1	29.3	28.8	28.3	11.4	2.3
	1970-71	61.2	22.8	12.9	3.0	0.1	24.8	28.9	31.1	14.6	0.6
India	2002-03	69.8	16.2	9.0	4.2	0.8	22.6	20.9	22.5	22.2	11.8
	1991-92	62.8	17.8	12.0	6.1	1.3	15.6	18.7	24.1	26.4	15.2
	1981-82	56.0	19.3	14.2	8.6	1.9	11.5	16.6	23.6	30.2	18.2

Source: NSS Report No. 492, "Some Aspects of Operational Land Holdings in India", 2002-03

It is clear that the Marxist-Leninist understanding of peasant stratification is very different from such a method of classification. Nevertheless, in the absence of other data, and going by average conditions in West Bengal (while excluding arid and mono-cropped regions), it can be argued that the "marginal" category roughly correspond to poor peasants, the "small" and most of the "semi-medium" category corresponds to middle peasants, while some parts of the "semi-medium" category may correspond to rich peasants. The "large" class is likely entirely to be landlords, while the "medium" category here would include rich peasants as well as some landlords. Note that these assumptions do not take into account non-peasant landowners, most of whom are engaged in the service sector.

A few important observations can be made from the data in the two Tables. First, Tables 1 and 2 show that, according to National Sample Survey (NSS) data, there are no "large" landowners in West Bengal. In India as a whole, households with large ownership holdings account for 0.6 per cent of households and own 11.6 per cent of all area owned (Table 1). The corresponding figures for household operational holdings are 0.8 per cent and 11.8 per cent (Table 2).

Secondly, in West Bengal, households with small and marginal ownership holdings account for 97.8 per cent of all households and cover 83.9 per cent of all area owned (Table 1). In India as a whole, 90 per cent of all ownership holdings are small and marginal, but these households own only 43 per cent of the extent of all ownership holdings (Table 1). The situation is similar in respect of household operational holdings (Table 2).

Thirdly, it is of interest that while medium landowners operate only 2.7 per cent of land holdings in West Bengal, medium and large landholders (there are none in the latter category in West Bengal) operate 34 per cent of the extent of operational holdings in the country as a whole.

Another feature of the data that requires interpretation is the pattern of decadal change in the distribution of land holdings in the State. Important factors here are likely to be that the growing strength of the kisan movement and the measures taken by the two United Front Ministries in the 1960s had a (positive) impact on the 1970-1971 data, while the semi-fascist terror of the 1970-1977 period had an (adverse) impact on the outcome of the survey of 1981-82.

The impact of the Left movement and Left Front Government over the last three decades on the distribution of operational holdings in West Bengal has been unmistakable and distinctive. NSS estimates of the Gini coefficient of concentration in the distribution of operational holdings in 15 States (see Table 3) establishes not only that West Bengal has the lowest concentration coefficient among all States, but also that the Gini coefficient actually *declined* over the last three decades. This was a period over which the all-India index remained almost static. In States like Punjab, Haryana, Rajasthan and Gujarat, in many parts of which the development of capitalism in agriculture is understood to be relatively advanced (though the extent of such development varies), the Gini coefficient is very high (over 0.6) and has increased substantially over the last three decades.

Table 3 Gini coefficients of concentration of operational holdings in India and States, 1971 and 2003

States	1970-71	2002-03
Andhra Pradesh	0.582	0.543
Assam	0.388	0.366
Bihar & Jharkhand	0.511	0.421
Gujarat	0.518	0.605
Haryana	0.436	0.675
Karnataka	0.509	0.5.43
Kerala	0.483	0.348
Madhya Pradesh & Chhattisgarh	0.508	0.527
Maharashtra	0.514	0.526
Orissa	0.466	0.381
Punjab	0.398	0.706
Rajasthan	0.599	0.610
Tamil Nadu	0.480	0.508
Uttar Pradesh & Uttaraanchal	0.471	0.450
West Bengal	0.433	0.313
India	0.567	0.557

Source: NSS Report No. 492, cited above.

There are some differences in the estimates of operational holdings by the NSSO and the Agricultural Census of West Bengal. The NSS data (2003) show that large holdings do not exist in West Bengal. The Agricultural Census shows not only that they exist in the State but also that the area operated by the large landholders has not changed significantly over the years. The differences arise from the sampling design of the two surveys. In the sample design used in Agricultural Census of West Bengal, all institutional holdings and all land holdings in the larger size-classes are included in the sample.² Thus, the larger size-classes are over-represented in the sample. The NSS sample does not have any such upward bias. It is significant that, in 2000-01, of the 2,18,976 hectares of land operated by large holders, 2,15,754 hectares (98.5 per cent) were institutional holdings. These were mainly tea gardens concentrated in Darjeeling, Jalpaiguri and Uttar Dinajpur districts.

Table 4 Area operated, by size class of operational holdings, West Bengal

Size class	2000-01		1990-91		1980-81		1970-71	
	Area (in ha)	% of total	Area (in ha)	% of total	Area (in ha)	% of total	Area (in ha)	% of total
Marginal	2758843	49.7	2064440	36.5	1619657	29.2	1089722	21.5
Small	1606686	29.0	1694000	30.0	1733512	31.2	1301643	25.7
Semi-medium	783773	14.1	1269052	22.4	1403246	25.3	1464919	28.9
Medium	178298	3.2	425530	7.5	594883	10.7	973576	19.2
Large	218976	3.9	202668	3.6	203484	3.7	231771	4.6
All	5546576	100.0	5655690	100.0	5554782	100.0	5061631	100.0

Source: Agricultural Census Report for West Bengal, 2000-01

However, the Agricultural Census data also show an increase in the number of and the area covered by marginal and small operational holdings in the State. There has also been a decline of large individual holdings in the State.

Land redistribution and tenancy reform

It is now well known that the idea of redistributing ceiling-surplus land gathered momentum in the post-War period. Such a policy was intended to avert the impending threat of agrarian revolution after such revolutions had succeeded in China, Vietnam, North Korea and elsewhere, countries where the land of landlords was confiscated without compensation and distributed to the peasantry. The US military presence in Taiwan, South Korea and Japan almost forced local regimes to take up tenancy reform, followed by forced sales of land to poor farmers at nominal prices that were to be paid in instalments spread over ten years.

Bourgeois-landlord ruling classes in agrarian economies elsewhere opted for ceiling-based land reforms in order to serve the dual objectives of keeping

the increasing land hunger of the peasantry below danger point, while at the same time providing loopholes in land reform legislation that allowed landlords essentially to retain their land. Landlords did so by dividing land among the members of their families into holdings that were nominally within ceiling limits. India was no exception to this phenomenon.

It was in the early days of the NSS that the first survey of landholdings in India was taken up as a part of the World Agricultural Census effort initiated by the Food and Agricultural Organisation of the United Nations. Going by the estimates of the Eighth round of the NSS (1954-55), or even the next Round in 1961-62, *it would be safe to conclude that, taking 20 acres as a ceiling, no less than 63 million acres of land would at that time have been available for distribution among landless and land-poor farmer households* Nevertheless, given the class character of the Indian state and the absence of a countrywide peasant movement, what is the reality today? The Annual Report of the Ministry of Rural Development 2006-07 shows that only 4.89 million acres of land have been distributed over 60 years of Independence. Of this, more than 1 million acres (or more than 20 per cent) is accounted for by West Bengal (which covers only 2.5 per cent of the land area of India).

The number of beneficiaries that received land over this 60-year period was 5.4 million; of them West Bengal accounted for 2.8 million (or 52 per cent). According to the same source, the number of Scheduled Caste beneficiaries in India was 2.1 million, of whom West Bengal accounted for 1.04 million (or 49.5 per cent). The number of Scheduled Tribe beneficiaries in India was 0.85 million, of whom West Bengal accounted for 0.53 million (62 per cent).

We shall not attempt a similar comparison of data on tenancy in West Bengal and India, since the NSS data give much room for confusion in this regard. In brief, these data mix up information on pre-capitalist forms of tenancy with emerging forms of land leases that are covered by different kinds of terms and conditions. According to the NSSO (59th Round, 2002-03, Report No. 492): “the number of tenant holdings, i.e., operational holdings with wholly or partly leased in land, was about 10 million, reporting an area of about 6.9 million hectares of tenanted land” (this refers to India as a whole). Classifying these by the terms of lease, the share of area under fixed money rent, fixed produce rent, sharecropping and other types of rent were, respectively, 29.5 per cent, 20.3 per cent, 40.3 per cent, and 9.9 per cent. Sharecropping is thus the most prevalent form of leasing in land in small and marginal holdings and one can argue safely that around 6.8 million acres are under sharecropping.

Soon after the Left Front Government came to power, the massive “Operation Barga” was implemented in West Bengal to protect the rights of sharecroppers. More than 1.5 million sharecroppers cultivating more than 1.1 million acres of land were registered under Operation Barga.

Most States claim that they have conferred ownership rights on tenants and that nothing like sharecropping continues to exist. In the Report of the Ministry of Rural Development cited previously, Madhya Pradesh and Haryana report that “tenancy not prevalent,” Chattisgarh reports “nil” for area under tenancy, and Bihar, Jharkhand, Uttar Pradesh, Uttaranchal, and Punjab show “not reported.” Going by the NSS, however, tenancy continues to be prevalent in most of these States. The fact remains that most tenants in the country, who do not have the legal rights of registered tenants in West Bengal, continue to face eviction or severe forms of rent exploitation.

Tenancy as estimated by NSS includes “reverse tenancy”, that is, large landowners leasing in land from the poor in exploitative terms. However, NSS data on ownership and operational holdings in West Bengal show that medium landowners own 4 per cent of the land but operate only 2.7 per cent. This indicates that medium landowners lease out land to smaller landholders in the State.

Agricultural Census data indicate that there has been an increase in the operated area under marginal holdings and a decline in operated area under semi-medium, medium and large individual holdings. While this is due partly to the increasing fragmentation of land holdings in the State, village level studies have also indicated that landless and marginal farmers and social groups like the Dalits and Muslims who did not have access to land earlier were major purchasers of land in the post land-reform era. Village studies conducted by Vikas Rawal in 1995-96 in two villages in Bankura District and published in the international journal *Economic Development and Cultural Change* in 2001 and a seven-village study by Ramachandran, Rawal and others in 2005 in different agro-climatic regions of West Bengal confirms a trend distinctly different from trends in the land market elsewhere in the country today. In an article in *Frontline* (April 20, 2007) Aparajita Bakshi reports that

The [1995-96] study showed that while empirical studies in other States had found that the net buyers of cultivable land were large landowners and net sellers of agricultural land were small landowners, the trend was quite the opposite in the West Bengal villages...The paper attributed this difference to increased purchasing power among the poor in West Bengal facilitated by land distribution, tenancy reforms, higher wages and access to credit...The [2005] study confirms and adds a new dimension to this conclusion...Dalit and Muslim households were net buyers of land while caste Hindus were net sellers.

Agrarian reform and issues of production

It goes without saying that agrarian reform do not end with land or tenancy reform. Non-land inputs — for example, irrigation, credit, improved seeds, fertilisers, extension, and marketing facilities — are an inseparable part of a package that has to be delivered to resource-poor farmers. In the absence of land and tenancy reform, these non-land inputs often empower the rich

against the poor, and thereby increase poverty and disparity, which, in turn, makes growth unsustainable.

The question is whether to drive growth by the selective provision of non-land inputs without implementing land reform or to implement land reforms and then provide non-land inputs to the peasant masses. West Bengal, it is clear, opted for the second path.

Thus, along with land and tenancy reform, irrigated area as a proportion of net sown area expanded from 32 per cent to about 70 per cent over the last three decades. The index of cropping intensity in West Bengal is now 180, which is the second highest among all States. Similarly, the area under high-yielding seeds as a proportion of the total area under paddy increased during this period from 28 per cent to 96 per cent. About 83 per cent of the gross cropped area under all crops is under different types of high yielding crops.

Rural West Bengal has historically been deprived of its fair share of credit by scheduled commercial banks. Over the 1990s, as the Government of India gave up the goals of social and development banking, the credit-deposit ratios of rural branches of commercial banks in West Bengal declined. The gap between rural credit-deposit ratios in West Bengal and other parts of the country, particularly west and south India, widened.

Cooperative banks in West Bengal have attempted, by means of lending preferentially to small and marginal farmers, to fill some of the gap left by the withdrawal of commercial banks in the countryside. More than two-thirds of cooperative credit in the agricultural sector in the State goes to small and marginal farmers. As a result of change in the correlation of class forces, small and marginal farmers have come to dominate both cooperative and panchayat institutions, thereby making a significant change in the class nature of delivery systems related to agriculture and rural development. These factors contributed to the achievement by West Bengal of the highest rate of growth of agriculture among States between 1993-94 and 2003-04. The annual average rate of growth in West Bengal was 3.64 per cent, while the corresponding all-India figure was 1.53 per cent. The benefits of this growth have gone substantially to small and marginal farmers, since 85 per cent of agricultural land is operated by them. There has been a concurrent growth in the market for industrial goods in rural West Bengal.

We shall not examine specific instances of successful development in the countryside over the last thirty years. Nevertheless, these success stories – for example, the fact that West Bengal is the biggest producer of rice, jute, vegetables and fish in the country or that it has achieved the steepest percentage-point reduction in rural poverty, or that it has the lowest crude death rate, or again, that West Bengal has the largest number of villages fully covered by total sanitation schemes – can all trace their origin back to the fact of land reform.

Persistence of pre-capitalist relations in the countryside

We certainly do not hold that the potential for growth in the primary sector of the economy of West Bengal has been exhausted. As we have noted in an earlier paper

Production relations in rural West Bengal have changed in a major way in the post-land reform period. High agricultural growth in this period was associated with an increasing commercialisation of production and production relations. At the same time, however, pre-capitalist remnants continue to persist in agrarian relations and production process in various forms. Sharecropping is widely prevalent, though it has been formalised and secured through Operation Barga. Informal moneylending is rampant and institutional sources account for only a small share of the debt portfolio of rural households.

Another aspect to be mentioned here is disparities across various castes. Overt forms of discrimination on the basis of caste, such as [the open practice of] untouchability and caste-based political mobilisation, do not exist in West Bengal. But significant socio-economic disparities among different caste-groups persist.³

It is important to understand that the time has come to confront the pre-capitalist elements in the relations of production in such a way that can help further develop the forces of production. Given that the ruling classes of India collaborate politically with pre-capitalist elements in the countryside and collaborate economically with international finance capital, it will be a fierce class battle to further change the correlation of class forces against pre-capitalist elements and international finance capital. What we witness in Singur, Nandigram and elsewhere in the State today is a manifestation of intensifying class confrontation. Nevertheless, the limited but exemplary agrarian reform that we have accomplished can be the basis to achieve, to a significant extent, the potential for growth in the primary, secondary and tertiary sectors.

FEATURES OF AGRARIAN CRISIS

It is necessary to examine features of the present agrarian crisis in West Bengal and make an effort to analyse their origin. Without such an examination, it is not possible to formulate policy to mitigate the crisis.

A first observation concerns the high proportion of the rural population that is dependent on agriculture and the high proportion of landlessness in the countryside. According to the Census of India 2001, cultivators and agricultural labourers constituted 44.1 per cent of the 29.48 million workers (main and marginal) in rural West Bengal. The NSS (61st Round, 2004-05) reported that the rural population dependent on agriculture as a proportion of the rural workforce in West Bengal was 45.8 per cent.

According to the NSS, households with no operational holdings as a proportion of all households rose from 41.6 per cent in 1993-94 to 47.4 per cent in 2004-05 (the corresponding figures for India were 38.7 per cent and 42.8 per cent).⁴

The data in Table 5 show that, according to the NSS, the average annual compound rate of growth of employment in West Bengal between 1999-2000 and 2004-05 was 3.3 per cent in rural areas and 3.6 per cent in urban areas. West Bengal did better than the country as a whole in respect of the growth of employment in this quinquennium: the corresponding rates for India were about 1.97 per cent in rural areas and 3.22 per cent in urban areas. Further data show that West Bengal has performed better than the country as a whole in respect of the growth of employment in agriculture. At the same time, employment in manufacturing in rural areas has declined, and the major growth has been in the service sector. A cause for concern (in West Bengal and elsewhere in India) is that along with an expansion in the *quantity* of employment in the tertiary sector, there is likely to have been a decline in the *quality* of that employment, as a result of a rise in the numbers of casual and marginal workers (and including the self-employed) in low-paid rural and urban employment in this sector.

Table 5 Annual rate of growth of employment, by sectors, West Bengal, 1999-2000 and 2004-05.

Sector	Rural	Urban	Total
Agriculture	3.63	–	3.63
Mining and quarrying	-4.71	8.28	2.72
Manufacturing	-0.85	5.04	1.53
Electricity and water	3.34	-13.08	-9.22
Construction	15.88	2.90	9.75
Trade, hotels and restaurants	5.66	1.69	3.6
Transport	5.15	2.42	3.63
All sectors	3.3	3.6	
Labour force	3.3	3.3	3.3

According to the Economic Review of 2006-07 of the Government of West Bengal, the share of the primary sector in the State Domestic Product declined from 32.9 per cent in 1999-2000 to 26.9 per cent in 2005-06. Over the same period, the share of the secondary sector increased but remained low, its share increasing from 14.8 per cent to 16.9 per cent. The share of the tertiary sector grew from 52.3 per cent to 56.2 per cent. As discussed earlier, this reflects a move from agriculture and rural manufacturing to low-quality employment in urban and rural areas.

The fragmentation and parcellisation of holdings and the general overcrowding of agriculture have created unbearable (and unsustainable) pressure on the existing means of employment in the countryside. There is no shortcut to more sustainable and equitable economic growth – such growth demands an expansion of employment in non-agricultural activity, particularly in manufacturing.

Among the worst features of the current agricultural situation is that, under the neo-liberal regime, farming itself has become unviable. Table 6 shows that the net earnings from farming alone were not adequate to meet the consumption needs even of farmers whose holdings are in the size-class 2 to 4 hectares. This indicates that not only small farms, but also medium and relatively large farms, are becoming unviable economic units. One should not jump from this to the false conclusion that the contradiction between rich and poor in the countryside is not intensifying. Landlords – who also happen to be the lords of rural credit, water and other inputs, and of agricultural marketing – remain the main pillar of the ruling class in the countryside. Unless we organise determined class struggle against landlord hegemony, we shall be unable to assemble the force necessary to fight the neo-liberal regime.

Table 6 Average monthly income from different sources, consumption expenditure and net investment in productive assets per farmer household during the agricultural year, West Bengal, July, 2002 to June, 2003

Size class of land possessed (hectares)	Income from wages (Rs.)	Net receipt from cultivation (Rs.)	Net receipt from farming of animals (Rs.)	Net receipt from non-farm business (Rs.)	Total consumption expenditure (Rs.)	Net investment in productive assets (Rs.)	Estimated no. of households (00s)	No. of sample households
<0.01	996	0	45	393	2308	22	6140	310
0.01 - 0.40	865	334	70	400	2320	25	37499	2246
0.41 - 1.00	943	1053	112	275	2974	55	18969	816
1.01 - 2.00	686	2225	160	572	3877	63	5108	460
2.01 - 4.00	978	4621	-33	427	4754	48	1327	460
4.01 - 10.00	722	5263	-2465	344	5234	483	191	17
>10.00	-	-	-	-	-	-	-	0
All Sizes	887	737	77	378	2668	37	69233	3958
Estimated no. of households (00s)	25393	57768	37675	12621	69232	20853	0	0
No. of sample households	1859	3532	2450	1038	3957	1697	0	0

As we have seen, households with operational holdings of less than five acres are almost certainly unable to make both ends meet. Poverty estimates also show that income-poverty among farming households is higher than among the rural population in general. The issue at this juncture is not to over-emphasise the part played by small-farm-based peasant agriculture in impeding growth, but to point out that the primary reasons for the unviability of farming lie elsewhere. The terms of trade have turned against the primary sector all over the world. In order to avoid earning the displeasure of globalised finance capital, our ruling classes have imposed deflationary policies on the people. As a consequence of the general decline in public investment and the withdrawal of quantitative restrictions on the import of primary-sector products, an unprecedented crisis has gripped agriculture.

To summarise, neo-liberal policies have intensified the crises of employment and farming, particularly on small and marginal farms, in the countryside. The creation of non-agricultural employment, especially in manufacturing, is an essential component of an alternative strategy.

OPTIONS BEFORE THE LEFT FRONT

In the classical Marxist debate on the agrarian question, Lenin identified two distinct paths to the development of capitalism in agriculture, namely, the “Junker” (or “Prussian”) path (capitalism from above) and the “American” path (capitalism from below). Since then, the world has witnessed a rich variety of agrarian transitions, including those of present and erstwhile socialist economies and of countries in other parts of the Third World.⁵ The experiences of agrarian transition in India and in West Bengal have their own distinctive characteristics. While these experiences merit careful study, it can be stated with confidence that the capitalist development that has taken place in West Bengal in the last three or four decades is primarily a product of class struggle, that is, a form of capitalism “from below.”

Given the situation in West Bengal today, what are the options before us?

The CPI(M) has been of the considered opinion that production relations have to correspond to the degree of development of productive forces, and that a Marxist-Leninist assessment of the concrete situation, and of the correlation of class forces prevailing at the national and international levels, is required in this regard. After 1977, thanks to the land reform carried out by the Left Front Government, West Bengal achieved the highest agricultural growth rates in the country, and these were based on the productive performance of small farms.

West Bengal made substantial progress in respect of rural per capita food grain consumption. It saw the sharpest decline in the country of income-poverty. The internal market expanded as a result of increased purchasing power in the hands of the rural masses. Above all, the policies of the Left Front Government changed the correlation of class forces in the countryside, a change that has been sustained for three decades.

At the same time, there was some capital formation in the primary sector. Bank deposits in rural areas grew, and the State mobilised the highest levels of small savings in the country. Despite the fact that surpluses generated in the primary sector enhance the potential for the industrialisation of West Bengal, the class nature of the Indian state and specific policies of the Central Government have discouraged the industrial development of West Bengal.

Agriculture

With respect to agriculture, we certainly cannot embark on a policy of corporate farming in the way some other States have. These States have doled out vast stretches of agricultural land (on the pretext that they are wastelands) to agribusiness companies for captive farming. Some options, however, merit serious consideration.

First, we can upgrade small farms technologically. We can do so by mobilizing public and private investment, and utilizing contract farming arrangements in a way relevant and appropriate to our situation. This will enable us to replace, in collaboration with domestic capital, inefficient marketing systems as they exist today (and which have significant pre-capitalist characteristics). To ensure that the gains of this accrue the peasantry and the people, we have to depend on the bargaining power of the organised peasantry and regulatory measures by the Government.

Secondly, a *functional* consolidation of holdings, for instance by hiring in tractors and other equipment collectively, has emerged spontaneously in the West Bengal countryside.⁶ There is much room for organizing such initiatives in a planned manner. Cooperatives and self-help groups organised into clusters and federations can play a significant role in providing credit, other services, extension and marketing support.

While it would be utopian to attempt large-scale cooperative farming or collectivisation in an age when even socialist economies like China or Vietnam have, on the basis of experience, gone in for decollectivisation followed by peasant farming, we must not be mistaken for those who eulogise petty commodity production from an anti-Marxist viewpoint and derive satisfaction

from the collapse of collectives in the former USSR and elsewhere.⁷ The disastrous consequences of the forced dismantling of collective and State farms in former USSR have been noted even by bourgeois economists.

Thirdly, while de-peasantisation is not unexpected under capitalism, this phenomenon serves to emphasise the importance of using the possibilities of the National Rural Employment Guarantee Programme (NREGP) to the full in order to create employment and new assets. Such employment and asset-creation may be in the form of water harvesting, land development, plantation in the lands of land-reform beneficiaries, the creation of assets and employment for households below the poverty line, Scheduled Caste and Tribe households, and other schemes.

The industrialisation imperative

The seventh Left Front Government came to office with a mandate to go ahead with industrialisation and consolidate the gains in agriculture. It can be said that the issues of the conversion of agricultural land to industrial land and the issue of whether elections in the State were free and fair became the two main issues on which the electorate delivered its verdict.

The electoral verdict was unequivocal, and the strength of the Left Front increased both in terms of seats and vote-share. Any vacillation or backtracking with respect to industrialisation would represent a breach of faith in the trust reposed by the people in the Front.

The issue is not of industry *versus* agriculture, as the Opposition – who are the known enemies of the peasantry – would have us believe. *The issue now is that of industrialisation for the sake of the peasantry and agriculture itself.* All that the State and its people have achieved on the agrarian front will be at peril if balanced growth of secondary and tertiary sectors fails to take off. Nothing other than such growth can

- release the burden of the workforce dependent on agriculture and subjected to both pre-capitalist and capitalist mode of exploitation, thereby making a more equitable distribution of work and earnings among the workforce in all three sectors possible;
- ensure a more sustainable growth of the primary sector by providing inputs necessary for the modernisation of and higher productivity from this sector;
- add value to primary-sector products, thereby enhancing income and employment; and

- augment revenue resources of the State Government, thereby enabling more public investment in the primary sector in infrastructure, inputs, extension and human resource development possible.

In class and political terms, nothing other than such growth can

- deliver yet another blow to pre-capitalist elements and their political mentors;
- utilise the contradiction between Indian big bourgeoisie and imperialism and the difference within the ruling classes and their parties in the country in such a way as to develop a Left and democratic alternative by changing the correlation of class forces;
- meet the onslaught of globalised finance capital to de-industrialise our economy; and
- meet the immediate need of forging the broadest possible unity of the peasantry, working class, petty bourgeoisie and all patriotic and democratic sections of the people to resist the terror let loose by the grand alliance of the most reactionary section of the ruling class.

As contradictions and the class struggle intensify, Right and Left opportunists, along with vacillating sections of petty bourgeoisie, the lumpenproletariat and both varieties of communal forces are sought to be mobilised into this grand alliance in order to isolate and attack the CPI(M). History teaches us that this attack against CPI(M) will not remain confined to the Party. The situation in West Bengal is reminiscent of the 1970-77 period, although it is too early to identify and list the common features at the present moment. The design to expand the current attack to a semi-fascist offensive against the all sections of people, irrespective of their political affiliation, in this advanced outpost of democracy in the country, has to be properly understood and explained to the people all over the country.

ISSUES FOR DEBATE

Many issues of theory and practice have been raised in the aftermath of the events in Singur and Nandigram.

Some of these proceed from the assumption that the opposition of the Left Front Government to neo-liberal economic policy is less sharp, and has somehow been blunted in recent times. Such a perception maligns the most advanced outpost of democracy. It not only ignores the Budget speeches and other policy statements of the Left Front Government, but also the stark reality that West Bengal has made the biggest contribution – inside parliament and outside – to the struggle against neo-liberal policies. Critics who say that the Left Front Government is to be criticised for not protesting against the imposition of neo-liberal economic policies on the people have lost sight of the fact that it is because

of this resistance that the UPA Government is unable to push through fully the neo-liberal agenda to which it is committed.

Industrialisation

With respect to industrialisation in the State, one position is that, since the only industrialisation possible under the neo-liberal regime is corporate industrialisation, it is anti-people, since very little, if any, new employment is created. This position rejects as baseless the argument that industrialisation is necessary because it will take surplus labour out of agriculture, and states that it is awareness of this fact that “makes peasants most reluctant to part with their land for industrial purposes.” Further, the argument goes, the situation in India today is not one of industrialists competing for the attention of State Governments, but of State Governments competing to attract capitalists to their respective States.

These arguments must be met squarely. First, they do not take into account the relative advantages of West Bengal as an industrial destination. We have mentioned the nature of changes wrought by land reform, and the situation with regard to small savings and other forms of capital formation in the primary sector. West Bengal also has a stable and transparent State Government and a vibrant system of local self-government. Its geographical location permits it to serve as a gateway for some 200 million people in the region, besides being a gateway to South East Asia. It also has a reasonably large pool of skilled workers.

Going by our experience, we believe that the present situation, particularly after de-licensing and the partial withdrawal of freight equalisation, is more one of capitalists opting to invest in West Bengal than of the Left Front Government running after them to invest. The fact is that it was not the Tatas who threatened to go to Uttaranchal, but the grand alliance of anti-CPI(M) forces that threatened them and told them to move out of West Bengal. Nor must we forget that capitalists compete against each other and attempt to prevent their competitors from investing in “flagship” technology that threatens their own markets.

Secondly, it is useful to remember that the Left Front Government has never forced reluctant peasants to part with their land. It was the armed goons of the grand alliance who forced peasants *not* to transfer land in exchange for one of the best compensation and rehabilitation packages that have been offered in the country.

Thirdly, it is often forgotten that the Left Front Government in West Bengal distributes more land every year free of cost to the peasantry than it acquires for all purposes taken together – and the current period is no exception.

Fourthly, the Left Front Government has been able to make progress with respect to Public Sector Undertakings, Central and State. Over the last year, investment of Rs 10 billion for the modernisation of IISCO has been ensured; in addition, progress has been made with respect to the revival of Bengal Chemicals, Gluconate, Infusion India, as well as the fertilizer industry and the Mining and Allied Machinery Corporation.

The Left Front Government, too, is concerned about the limited potential of corporate industrialisation with respect to employment creation. In its last Party Congress, the CPI(M) emphasised the need to engage with the current situation, to look for new productive investment (including foreign direct investment that brings in new technology) and add to our productive capacity and ensure whatever employment growth is possible.

Thus, while the argument in question correctly opposes the Luddite argument against industry as indefensible, it also asserts that an employment argument for industrialisation is unacceptable. Our contention here is that the employment argument is valid, and serves to demystify the debate.

“Vulgar” economy

Further, an exclusive reliance on the argument that industrialisation can be justified only on the grounds that it produces use values also has problems. As Marx wrote in the Afterword to the Second German Edition of *Capital*, “overwhelming and exclusive emphasis on ‘thing-ness’ (use value) is nothing but a modern variant of ‘vulgar economy’.”

Let us pursue this matter further. While opposing any method of analyzing a situation exclusively based on the materiality of objects, that is, its “thing-ness” or use value (the “vulgar economy” error), Marxist-Leninists must not make the mistake of passing judgments exclusively based on social relations as they appear, ignoring their material basis. These deviations represent opportunisms of Right and Left variety in the sense that they attempt to erect a Chinese Wall between “things” and “relations”, “use value” and “exchange value”, “concrete labour” and “abstract labour”, “productive forces” and “production relations”, and so on.

A commodity represents a unity of opposites — its origin, development, decay and final disappearance being manifestations of the intensification of the contradiction between its use value and exchange value, which correspond to concrete and abstract labour respectively.⁸ An error of some Left intellectuals and progressive scholars is that of assuming that this two-fold nature did not

characterize pre-capitalist societies. Such an assumption implies that commodity production was non-existent in pre-capitalist societies, which was clearly not the case. The most concise definition of capitalism was given by Lenin when he stated that capitalism is a system of generalized commodity production where labour power itself has become a commodity. This definition differentiates capitalist commodity production from pre-capitalist commodity production.

The relevance of the issue under discussion in the Indian context must not be underestimated. Production relations continue to exhibit pre-capitalist fetters. This explains in part the vulnerability of our economy to the pressure of globalised finance capital.

Issues of strategy and tactics

It is our position that, with the big bourgeoisie, which is the leader of the bourgeois-landlord class alliance, increasingly collaborating with global finance capital in the pursuit of its bankrupt capitalist path of development, it is only a People's Democratic state that can accomplish the anti-feudal, anti-imperialist, anti-monopoly and democratic tasks of the Indian revolution. The CPI(M) has much experience of the disastrous consequences of mixing up the tasks of different stages of revolution. The entire construction of those engaged in the battle against "vulgar economy" runs the risk of being misunderstood. It gives the impression that there is nothing much left to be done to abolish new forms of landlordism, the hegemony of the rural rich, and remnants of feudalism. The underlying view here seems to be that the focal contradiction between the landlords and the peasantry is being replaced by a contradiction between imperialism and the Indian people as a whole, that is, including the entire rural population. Such a view fails to understand that mobilising the rural poor against landlordism is critical to ensuring the broadest mobilisation against imperialism.

While the development of capitalism in agriculture as well as the development of democratic and peasant movements have been uneven in the country, nowhere (including in the Left-led States) have pre-capitalist relations been eliminated. There are wide variations in the levels of socio-economic development and in historical background even among the three Left-led States, and it cannot be wise to offer a single set of solutions for all situations. For example, if one area in India today has a Permanent Settlement background, another has a history of predominance of *ryotwari*, and yet another a history of tribal-communal ownership of land with shifting cultivation.

Even today, a substantial part of the peasant economy in West Bengal is characterised by a combination of subsistence farming and commodity

production. That West Bengal is the highest producer of rice and has a relative surplus with respect to rice production today is because of the fact that poor peasants who benefited from land reform have focussed almost exclusively on rice production to ensure their own food security. They had, after all, learned lessons from the food movement and its brutal suppression in the days when West Bengal was dependent on the supply of rice from the Central pool. Thus, a good part of the rice that these peasants produce is for their own consumption, and has only use value (and no exchange value).⁹ This is a form of security that they would like to protect.

The fact that capitalism tends to destroy petty production shows that pre-capitalist relations are inherent in such production. That these relations survived so long is not because the Indian state after Independence has provided support in the interests of getting “crucial petty bourgeois support” for strengthening the base of capitalist development. They persist because of the inherent limitations of the development of the capitalist path pursued by the Indian state, which provides all its support for landlord capitalism (from above) and not peasant capitalism (from below).

Let us reiterate an issue raised earlier in the article. While the solution to the present problems of petty production does not lie in corporate agriculture promoted by neo-liberalism, it is utopian to talk of “cooperatives and collective forms” (if those are to mean cooperative or collective farming) as an immediate alternative direction for the Left movement. Following the cataclysmic changes in the international polity and economy in the early 1990s, the discussion in the CPI(M) on “Certain Ideological Issues” concluded that production relations have to correspond to the degree of development of the productive forces. The point here is whether the Indian Left today can afford an alternative that is currently only being experimented with in socialist states. We are aware of some of the experiments pursued in People’s Republic of China. It may also be relevant here to quote the experience of the Communist Party of Vietnam with regard to collectivisation and cooperativisation:

However, despite the positive factors, there was stagnation of production and food scarcities, given the lack of sufficient care of collective land. The life of peasants became more difficult and there were years when 3-4 million peasants suffered from food shortage while tens of thousands of hectares of land were left uncultivated...Thanks to the extensive and intensive reform already undertaken, Vietnam has been transformed from a food importing country into one that not only meets its own needs but can also export 4 million tons of rice every year.”

Similarly, the Cuban experience is that

The economic mechanism of the agrarian state sector was based on centralised planning with restricted enterprise autonomy, a limited market and little use of prices and finance. The mechanism was intrinsically expensive, inefficient and bureaucratic, which explains the unprofitability and high subsidies needed to cover losses that became unbearable for macroeconomic balance during economic crisis of the 1990s.

The Cubans also recognise

the existence of a powerful peasant sector, which is growing rapidly in the rural Cuban environment today. Of course we would prefer the cooperative peasant, once he represents a higher productive and social form in our society.

As mentioned earlier, we in West Bengal believe that while cooperatives can help a lot in providing credit, other non-land inputs and services, and other forms of support, functional collectivisation in form of farmers collectively hiring machinery and so on, can provide support to sustain peasant farming.

Some Left intellectuals not only lay lopsided emphasis on production relations or productive forces in isolation from each other, but also fail to take an all-sided view of other phenomena as well. There are problems of de-linking tactics from strategy, realisable demands from propaganda slogans, the immediate from the ultimate and, above all, practice from theory.

The CPI(M) has to work for many alternatives. These include the socialist alternative (achievable only after the People's Democratic revolution has been accomplished); the People's Democratic alternative, which requires "the actuality of revolution" to occur; and the Left and democratic alternative, based on programmes to advance the cause of People's Democratic Revolution that are worked out in Party Congresses. Our Party-led State Governments, however, cannot be expected to implement any of the alternative programmes mentioned above. Within the constitutional and other limitations under which they function, they offer alternatives that fall short of full Left and democratic programmes.

It is clear that the alternatives that the *Party* proposes at the national level are not *ipso facto* applicable to Left-led *State Governments*. Sweeping formulations that do not take this distinction into consideration create confusion. When the Left Front Government talks about the need for "a shift of the agriculture-dependent population to manufacturing and other non-agricultural pursuits", "competitiveness", "Public-Private Partnership (PPP)", "productivity increases", "modernisation", or even "investment", "development", and "growth rate", it is

not unaware of the class content with which each of these terms is loaded. Terms such as these have meanings that vary with the class interests that underlie their use. Awareness of such class content also involves a recognition of the present change in correlation of class forces at the international level in favour, albeit temporarily, of imperialism. How the Party and movement are to engage with such a situation has partly been dealt with in the document titled “Certain Policy Issues” approved by the 18th Party Congress.

There must be no confusion in our minds with regard to the difference between “Xian” and “Yenan”. Defence of the CPI(M)-led Governments and the Left bastions in the country is an integral part of the struggle against neo-liberalism.

NOTES

- 1 1 hectare=2.47 acres.
- 2 Institutional holdings are holdings such as government farms, sugarcane factory farms, cooperative farms, lands managed by trust through hired labour, tea gardens, and plantations.
- 3 Surjya Kanta Mishra and Vikas Rawal (2002), “Agrarian Relations in Contemporary West Bengal and Tasks for the Left”, in V. K. Ramachandran and Madhura Swaminathan (eds.), *Agrarian Studies: Essays on Agrarian Relations in Less-Developed Countries*, Tulika and Zed Books.
- 4 An important caveat must be entered here. West Bengal is one of the very few States in India where, according to NSS data, households with no operational holdings as a proportion of all households actually *declined* between 1999-2000 and 2004-05, from 49.8 per cent in 1999-2000 to 47.4 per cent in 2004-05. Most States showed an increase in this proportion over the same period. Similarly, the proportion of households dependent mainly on wage labour rose from 32.6 per cent in 1993-94 to 36.6 per cent in 1999-2000, and fell again – to 32.2 per cent – in 2004-05.
- 5 The Dept. of Development and Planning of the Government of West Bengal organised an International Conference in Kolkata from 3-6 January 2002 to provide a forum for discussion and debate on agrarian problems in less developed countries from a Left perspective. The papers presented and the discussions that followed the presentations were published that year by Tulika Books under the title *Agrarian Studies*. The volume contains useful material on the experiences of several countries and of West Bengal with respect to agrarian problems.
- 6 Consolidation of holdings was an option that we had rejected in the pre-land-reform period, since, in those circumstances, it would have been used by the

landlords and rich peasants to their advantage. Discussions in the 1990s on the same issue also roused no enthusiasm.

⁷ It must be noted that it is the *use* and not the *ownership* of land that has been privatised in China or Vietnam. Land itself belongs to the socialist state

⁸ Marx points out that exchange value itself is the phenomenal form of value under commodity production, and value corresponds to “abstract labour.”

⁹ The trend of employment growth in petty commodity production sector at All India level, as analysed by C.P. Chandrasekhar and Jayati Ghosh, based on 61st NSS Round, also shows a substantial portion of whatever little growth in employment we find these days has been in the self-employment (*Social Scientist* 406-407).