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The Current Agrarian Crisis in India: An Overview

INTRODUCTION

When India attained political independence, the state of Indian agriculture was extremely backward. Colonial rule had further greatly weakened the agrarian economy already characterized by severe pre-capitalist modes of exploitation. During the first five decades of the twentieth century, agricultural output in India grew at a miserable compound rate of less than one-half of one per cent per annum. The per capita food grain production at around the time of independence was a little less than 150 kilograms. A little less than one-sixth of area cultivated was irrigated. There was significant presence of pre-capitalist relations of production, with absentee landlordism, zamindari, the most exploitative forms of tenancy, bonded labour and so on.

There were limited land reforms in the 1950s and 1960s, including legislations on abolition of absentee landlordism and zamindari, and some tenurial reforms. However, the third aspect of legislative reforms pertaining to land ownership and operation, the land ceiling legislations, were largely ineffective in breaking up land monopoly and concentration of land ownership.

Independence did signify an important change as far as some dynamism in agriculture was concerned. Limited land reforms referred to above and public investments in irrigation, power and some components of rural development, even within the limits of a substantially unreformed agrarian structure, did lead to a more rapid growth of output in agriculture than had been the case under colonial rule. Between 1950-51 and 1964-65, food grain output grew at a compound rate of 3 per cent per annum while agricultural output as a whole grew at 3.3 %. Growth in agriculture during this period was mainly on account of expansion in area cultivated, made possible both by limited land reforms and expansion of irrigation. However, the severe food grain crisis of 1966 demonstrated the fragility of this type of agricultural growth. The response of the state to the agrarian crisis of 1966 was the so-called new agricultural strategy –more popularly called 'green revolution' – that attempted to modernize agriculture within the limits of the prevalent agrarian relations. The key elements of the strategy included price support through open-ended procurement of rice and wheat; encouragement to adoption of the new technology in the cultivation of rice and wheat involving the use of high yielding varieties of seeds, application of chemical fertilizers and pesticides; expansion of agricultural credit, with bank nationalization playing an important role in this regard; public investment in irrigation and state subsidies for the expansion of private irrigation; subsidies on fertilizers and pesticides as well as farm machinery; and state investment in agricultural research and extension. While the growth brought about by this strategy was largely confined to rice and wheat and to irrigated agriculture thus implying considerable inequality in terms of crops, regions and classes, the new strategy nevertheless enabled the growth of agricultural output primarily through increases in yield, i.e., output per unit of land. Thus, between 1965-66 and 1974-75, agricultural output grew at an annual compound rate of 3.2 % while food grain output grew even faster at 3.4 %. The growth of agriculture continued into the 1980s, despite a significant decline in rates of public investment in agriculture in that decade. Between 1980-81 and 1990-91, the compound annual rates of growth of output were 3.84 % for rice, 4.38% for wheat and nearly 4 % for agriculture as a whole.

NEOLIBERAL REFORMS AND THE AGRARIAN ECONOMY

The acceleration of neoliberal reforms of deregulation, privatization and globalization from 1991, first by the minority Congress government of 1991 and then by all subsequent governments at the Centre and in most states has led to enormous agrarian distress and a deepening of the agrarian crisis. Neoliberal reforms had three key elements. Deregulation, more popularly referred to as liberalization, focused on 'freeing' private players from government regulation and releasing them from all norms of accountability in the name of unleashing enterprise from bureaucratic shackles and the so-called 'permit-license raj'. Privatization involved not only sale of assetsof public sector enterprises, often at throw-away prices, but also abandoning the state's responsibility in key domains such as education, health and infrastructure and opening up these domains to private entities functioning with profit as the primary if not sole motive. Globalization involved not only removing restrictions on imports and exports of goods and services, but most importantly allowing foreign finance capital to enter and exit the country at will, thus encouraging huge speculative inflows and outflows of capital as finance while making no contribution to the growth of real output. Of all the elements of neoliberal reform, this had the most far-reaching implications for fiscal policy, as it led to an obsession with reducing the fiscal deficit in order to prevent capital flight. Within the neoliberal framework, such a reduction in fiscal deficit was to be effected only by reducing government expenditures on both capital formation and subsidies and not by taxing the rich.

The neoliberal reforms had major consequences for the agrarian economy. The negative impact of these policies on the agrarian economy and working people in rural India can be summarized thus:

- The focus on reducing the fiscal deficit primarily by expenditure reduction meant that input subsidies – on fertilizers, pesticides, energy - were cut, leading to sharp rise in input costs. This happened immediately after the minority government of Narasimha Rao in which Manmohan Singh was the finance minister, took office. The practice of periodically hiking fertilizer and energy prices has continued without let or hindrance since then despite constant opposition from farmers' organizations and the Left parties, with the UPA II regime being particularly savage in this regard.

- The removal of quantitative restrictions on imports of agricultural products and the maintenance of import duties on such goods at well below the bound rates that India had specified in the WTO resulted in a sharp rise in agricultural imports, especially from the late1990s. This, together with the importing of the global deflation in commodity prices led to a crash in output prices in the late 1990s/early 2000s, followed by sharp price volatility.

- Financial liberalization, beginning with the infamous Narasimham Committee on Banking Sector Reforms which called for abandonment of 'directed lending' or the very notion of 'priority sectors' in the matter of access to bank credit, led to significant reduction in the rate of expansion of institutional credit, very inadequate to the requirements and a sharp rise in real interest rates at which institutional credit could be accessed through most of the nineties and the first half of the decade of 2000-2010. Matters have not improved dramatically since then, though there has been some increase in the flow of credit to agriculture, much of it grabbed by large capitalist landowners. The rapid expansion of bank branches, especially in rural areas, between 1969 (the year when fourteen major banks were nationalized) and 1991(the year of acceleration of neoliberal reforms) has since been reversed, with rural bank branches declining through the 1990s and the first several years of the new millennium. The dependence of the peasantry on moneylenders and other non-institutional sources of credit has increased considerably over the period of neoliberal reforms.

- Reduction in rural development expenditure in relative terms as part of the drive to reduce fiscal deficit even while providing major tax breaks to the affluent sections and the corporate sector has seriously affected both supply infrastructure (irrigation, energy, storage facilities and so on) for agriculture and the rural economy, and weakened rural demand, causing a major crisis of the rural economy.

- Cutback in public investment as part of neoliberal reforms has led to significant weakening of infrastructure support, farm extension services and the national agricultural research system.[1] Simultaneously, deregulation in the seed sector, weakening of certification processes and entry of multinational agribusiness giants such as Monsanto and Cargill have allowed MNCs to penetrate the agrarian and rural economy in a big way.

- The neoliberal reforms unleashed a serious assault on the PDS. First, between1991 and 1994, PDS issue prices were raised by 90 %. By 1995, this led to accumulation of food grain stocks with the government even while a large part of the population remained under-fed. The targeted PDS created by the binary division in 1997 of households into those above the official poverty line (APL) and those below it (BPL), with differential prices and entitlements was a key contributor to rural and agrarian distress. The situation was worsened by the decisions taken in the NDA regime in 2001 to drastically hike prices for both BPL and APL households. By July 2001, more than 60 million tonnes of food grainslay as stocks with government while large swathes of the population, consisting of poor peasants and agricultural labourers as well as artisans suffered from hunger. This, too, was a feature of the severe agrarian/rural crisis and distress that saw its most tragic manifestation in a massive number of peasant suicides, exceeding 250,000 over the fifteen year period between 1997 and 2012.

FEATURES OF THE AGRARIAN CRISIS

The period of economic reforms has seen a sharp slowdown in the rate of growth of agricultural output. We had noted earlier that agricultural output grew at a compound annual rate of growth of 3.3 % between 1950-51 and 1965-66 and 3.2 % between 1964-65 and 1974-75. The growth rate fell to 2.6 % between 1974-75 and 1984-85, but rose to 4.1 % between 1984-85 and 1994-95, just before the impact of neoliberal reforms had begun to bite. However, the growth rate fell very sharply to just 0.6 % per annum compound between 1994-95 and 2004-05. It can thus be unambiguously stated that neoliberal reforms have been associated with a drastic fall in the rate of agricultural growth. Since 2004-05, there has been a bit of a recovery in the rate of growth of agriculture, but this recovery is both halting and far from sustainable.

An examination of the rates of growth of output and yield per acre for major agricultural crops over different time periods brings out sharply the negative impact of neoliberal reforms on agriculture. Table 1 shows the annual rate of growth of output for the periods 1967-81, 1981-91 and 1991-2010. Table 2 shows the annual rate of growth of yield (output per acre) for the same crops over the same periods.

Except in the case of cotton, the rates of growth of output fell sharply for all other crops between 1991 and 2010, the period of reforms, as compared to the decade 1981-1991. In the case of cereals and of food grain, the rates of growth between 1991 and 2010 were even lower than in the period 1967-81 when the green revolution had just begun to spread.

Likewise, except in the case of cotton, the rates of growth of yields have declined significantly for all crops between 1991 and 2010, the period of neoliberal reforms, as compared to the period of 1981-91. As far as cereals are concerned, the rate of growth of yield is the lowest in the reform period, lower than in 1967-81 when the green revolution had been initiated and had begun to spread.

The story in the case of food grain is shown in Table 3.

As with all the major crops, we can see that there was little growth in output or yield of food grain for nearly a decade from the late 1990s. It is interesting to note that area under food grain has also been stagnant, except for a dip in the drought year of 2002-03. Within the area under food grain, it appears that there has been a shift from nutritious millets to paddy and wheat, but pictures of large extents of arable lands in India having been diverted from food grain to other crops or to non-agricultural uses are not validated by the official data on area under food grain.

CRISIS NOT UNDIFFERENTIATED

While the agrarian crisis has certainly intensified during the period of neoliberal reforms, it is important to note that the crisis is not undifferentiated across time and space, or across classes in the countryside.

In terms of periods, it seems that the period from 1991 to 1997 was one where neoliberal reforms had not yet begun to impact the

Table 1: Annual rate of growth of production of major crop groups, 1967-81, 1981-91 and 1991-2010 in percent

CROP	1967-81	1981-91	1991-2010
Cereals	2.56	3.32	1.45
Pulses	-0.11	1.7	0.33
Food Grain	2.29	3.2	1.37
Oil Seeds	1.45	6.41	1.96
Cotton	2.26	2.06	4.37

Source: V.K. Ramachandran (2012).

Table 2: Annual rate of growth of yield of major crop groups, 1967-81, 1981-91 and 1991-2010 in per cent

CROP	1967-81	1981-91	1991-2010
Cereals	2.11	3.64	1.61
Pulses	-0.59	1.94	0.42
Food Grain	1.83	3.51	1.51
Oil Seeds	0.68	3.10	1.47
Cotton	2.26	2.32	3.06

Source: V.K. Ramachandran (2012).

Table 3:Area, Production and Yield of Food Grains, 1997-98 to 2006-07

Year	Area, Million Hectares	Output, Million Tonnes	Yield, Kg Per Hectare
1998-1999	125.17	203.60	1627
1999-2000	123.11	209.80	1704
2000-2001	121.05	196.81	1626
2001-2002	122.78	212.85	1734
2002-2003	113.86	174.77	1535
2003-2004	123.45	213.19	1727
2004-2005	120.08	198.36	1652
2005-2006	121.60	208.60	1715
2006-2007	124.07	211.78	1707

Source: *Economic Survey*, various issues.

agrarian economy as severely as they would later. One reason of course is that the full rigours of the WTO regime were yet to be imposed, with removal of quantitative restrictions on imports some two years away. The other was that the full impact of financial liberalization had not yet been felt. A third reason could be that global commodity prices had not yet begun to nosedive. Whatever the reasons, the facts are clear. The agrarian economy plunged into the most severe crisis between 1997-98 and 2003-04. This is reflected in all the available statistical indicators pertaining to this period. The rate of farmers' suicides also accelerates in this period.

One can see the variation across definite sub periods during the period of neoliberal reforms in the growth rate of consumption of inputs as well. Thus, between 1991 and 1997, gross irrigated area (GIA) grew at an annual rate of 2.6 %, electricity consumption in agriculture by 9.4 % and cropping intensity by 0.4%. In sharp contrast, between 1997 and 2006, GIA did not increase at all while electricity consumption in agriculture fell by 0.5 % per annum. Cropping intensity grew at just 0.1 % per annum. Since 2005, there has been a partial recovery in terms of the rate of growth of input use as well.

The period from 2004 onwards sees a mild recovery in agriculture, going by some of the official statistics. Thus, Table 4 shows that, in the case of food grains, output growth recovered as did yield growth.

According to a recent official publication, the average annual rates of growth of output and yield of foodgrain were 1.29% and 0.59% in the tenth plan period from 2002 to 2007, but rose to 3.80% and 3.55% during the eleventh plan period from 2007 to 2012.[1]

However, while the partial recovery can be recognized, it is important not to conclude that this reflects an 'overcoming' of the crisis even in the narrow sense of output growth. The growth rate of agriculture and allied sectors was at a high of 10% in 2003-04 reflecting a recovery from the severe drought of 2002-03, but fell to 0 in 2004-05. It recovered to 5.9 % in 2005-06, and then fell to 3.8 % in 2006-07. After rising to 4.7 % in 2007-08, it fell sharply to 1.6 % in 2008-09 and further to 0.2 % in 2009-10. Already, output growth in 2012-13 is expected to be below that of 2011-12, with an absolute fall in the physical output of food grains from 259 million tonnes in 2011-12 to 250 million tonnes in 2012-13. The estimated rate of growth of agricultural output as a whole is said to have declined from 3.6 % in 2011-12 to 1.4 % in 2012-13. So, the recovery, even in terms of output, is uncertain, precarious and continues to depend on the monsoons.

The severity of the agrarian crisis, as we have already seen, has varied across crops, with cotton doing rather better than the rest, in part as a result of higher yields with Bt varieties. It has also varied across regions. Moreover, the agrarian crisis, through its various phases, has not impacted uniformly on the entire rural or agrarian population. A section of the agrarian population, consisting of capitalist landlords and rich peasants, has benefited from neoliberal reforms and has accumulated productive assets including land. While rates of growth

Table 4: Area, Production and Yield of Food Grains, 2007-08 to 2011-12

Year	AreaMillion Hectares	ProductionMillion Tonnes	YieldKg/Ha
2007-08	124.1	230.8	1860
2008-09	122.8	234.4	1909
2009-10	121.3	218.1	1798
2010-11	126.7	244.5	1930
2011-12	125	257.4	2059

Source: *Economic Survey*, various issues.

Table 5: Sales of tractors and power tillers, 2004-05 to 2011-12

Year	Tractor Sales(Numbers)	Power Tiller Sales(Numbers)
2004-05	2,47,531	17,481
2005-06	2,96,080	22,303
2006-07	3,52,835	24,791
2007-08	3,46,501	26,135
2008-09	3,42,836	35,294
2009-10	3,93,836	38,794
2010-11	5,45,109	55,000
2011-12	6,07,000	60,000

Sources: 1. V.K. Ramachandran (2012) 2. *Farm Mechanization in India 2012-13*, Department of Agricultural Cooperation, Ministry of Agriculture, Government of India

of the stock of agricultural machinery of various kindswere generally slower between 1992 and 2003 as compared to the period 1982 to1992(except for the stock of diesel engines, which grew more rapidly because of a worsening power crisis), the rates were still positive, indicating continuing capital accumulation. The number of tractors used in agriculture in rural India, for instance, nearly doubled between 1992 and 2003. Between 2004-05 and 2011-12, the numbers of tractors and power tillers sold have shown steady rise, as can be seen from Table 5.

The share of gross capital formation to GDP in agriculture and allied sectors averaged 13.9 % during the tenth plan from 2002 to 2007, but rose to 18.8 % between 2007 and 2011. It is thus clear that accumulation in real terms,through generation and reinvestment of surplus, and not merely through dispossession, has been going on even through the most severe phase of agricultural stagnation and crisis. However, it is also clear that the pace of accumulation was very modest between 1997 and 2005, and distinctly higher between 2005 and 2012.

To recognize the reality of continued real capital accumulation in agriculture is not at all to suggest that this was the main feature of the agrarian economy through the reforms period. On the contrary, the reforms period has seen great agrarian distress, most tragically demonstrated by the more than 250,000 farmers' suicides between 1997 and 2012. It has also seen a collapse of rural employment, both between 1993-94 and 1999-2000 and between 2004-05 and 2009-10. The apparently rapid growth of rural employment between 1999-2000 and 2004-05 was also largely a distress phenomenon, with practically the entire growth taking place in informal employment, and with much of it in very low productivity self-employment. Annual earnings of workers – both self-employed and wage-employed – as well as wage rates either stayed stagnant or declined in real terms in this period. The modest rise in real wage rates (as distinct from annual earnings, which would depend also on the days of employment) between 2004-05 and 2009-10 would since have been eroded by the high rates of inflation that have prevailed in the economy over the period 2009-2013, especially in respect of food articles. The cutbacks in subsidies in real terms on food, fertilizer and energy as well as the cutbacks in public expenditure in relative terms on education and health have also worsened the crisis faced by the majority of the agrarian and rural population.

INCREASED ROLE OF FOREIGN CAPITAL

The period of neoliberal reforms since 1991 has seen an increased penetration of Indian agriculture by foreign capital. The updated programme of the CPI(M) adopted in 2000 had noted:

> With liberalisation, the MNCs which operate in the world market with advanced technologies at their command have a greater and direct control over the prices of agricultural commodities. The intensification of the exploitation of peasants through unequal exchange and violentfluctuations of prices has become a permanent feature. As a result, the peasant is fleeced both as a seller of agricultural produce and as a buyer of industrial inputs. (Para 3.22)
>
> Under the WTO regime, all quantitative restrictions on the imports of agricultural commodities have been removed which seriously affects the livelihood of farmers. Pressure is being mounted for the dilution of land

> ceiling laws by the states and for leasing out lands to Indian big business and foreign agri-business. MNCs are entering the sphere of agricultural production in the seeds, dairy and other sectors. Under pressure from the WTO and the MNCs, policies, which surrender India's independence in respect of its biological resources and relinquish the rights of farmers and genuine plant breeders, are being pursued. The State sponsored agricultural research and extension systems are being weakened." (Para 3.23)

These observations are being fully borne out by the trajectory of Indian agriculture during the period of reforms. In the recent period, the government has further liberalized the norms for FDI in Indian agriculture. The government has permitted 100 per cent FDI under the automatic route, subject to certain conditions in Floriculture, Horticulture, Apiculture and Cultivation of Vegetables & Mushrooms under controlled conditions; Development and production of Seeds and planting material; Animal Husbandry (including breeding of dogs), Pisciculture, Aquaculture, under controlled conditions; and Services related to agro and allied sectors. 100 per cent FDI is also permitted in the tea sector.[1]

A recent newspaper report states:

> Even as the government is yet to receive its first FDI proposal in multi-brand retail a good 12 months after it eased investment rules, the foreign fund inflow trend in the 'agriculture services' sector heralds good news…. During 2012-13, the 'agriculture services' sector received over four times the investment inflows during each of the preceding two years. Much of this was reported to be in the second half of the year and has been attributed to the potential back-end opportunities that could open up once foreign retailers as and when global chains such as Wal-Mart, Carrefour and Tesco decide to enter India.
>
> Under current rules, FDI up to 100 per cent under the automatic route is permitted in cold-storage and warehousing. "While no proposal for FDI in multi-brand retail trading has been received by the government, the investment into the agricultural services segment is very encouraging. The trend, even before investments in multi-brand retail FDI have started coming in, is heartening and bears out the potential of the sector as an avenue for generating additional employment opportunities," a government official involved in the exercise said.[2]

INCREASING CORPORATIZATION OF AGRICULTURE

The period of reforms has also seen increasing corporatization of agriculture. The UPA government's response to the agrarian crisis is to hand over the agricultural sector to the corporate sector through a variety of means such as: allowing both foreign and Indian monopolies to take over the seed, fertilizer and other input markets; cutting back on provision of research and extension services through public sector entities, abandoning the earlier efforts to strengthen and expand credit to agriculture as well as provision of infrastructure including irrigation, storage facilities and so on; opening up the multi brand retail to FDI; removal of quantitative limits on agricultural imports and lowering of tariffs on them; and weakening of price support mechanisms and gradual abandonment of procurement.

The Government of India has recently announced a new policy initiative called 'Framework for supporting Public Private Partnership (PPP) for Integrated Agricultural Development (IAD) under the Rashtriya Krishi Vigyan Yojana (RKVY)'.[3] This scheme of PPP for IAD under RKVY is spelt out thus:

> (This is) a Scheme for facilitating large scale integrated projects, led by private sector players in the agriculture and allied sectors, with a view to aggregating farmers, and integrating the agricultural supply chain, with financial assistance through RKVY, under the direct supervision of State Governments, supported by National Level Agencies.

The policy statement is full of contradictions, talking in one place of the need to greatly increase food grain output to meet the requirement of the proposed National Food Security Legislation and at another place of the ' immense potential to leverage high returns from non-cereal sub sectors, especially for small producers.' These contradictions apart, the strategy proposed is to fund big agribusiness corporations, domestic and foreign, '… to propose integrated agricultural development projects across the spectrum of agriculture and allied sectors, taking responsibility for delivering all the interventions through a single window. Each project to target at least 5000 farmers, spread over the project life.'

The document further states:

- Key interventions which must feature in each project are: a) mobilizing farmers into producer groups and registering them in an appropriate legal form or creating informal groups as may be appropriate to the area and Project (joint stock or producer companies, cooperatives, self-help group federations etc.); b) technology infusion; c) value addition; d) marketing solutions; e) project management.

· Financial assistance will be provided by State Governments directly to corporates through the RKVY window after the project has been approved by SLSC, subject to a ceiling of Rs. 50,000 per farmer or 50% of the proposed investment per farmer, which- ever is lower. Subsidy to farmer for availing drip/sprinkler irrigation / mechanization /grading/ shade nets etc. could be considered separately as it is a large investment. Therefore, subsidy availed by farmers for drip/sprinkler/mechanization/ grading/shade nets, etc. under NMMI would not be considered as a part of this Rs. 50,000 ceiling.

While a detailed description of the scheme cannot be provided here, in essence, the scheme seeks to hand over the peasantry to corporate monopolies, and provide huge subsidies to the corporates for organizing peasants on a large scale to produce what the corporates are confident of selling at good profit. In the absence of credible extension and research services, credit on reasonable terms, procurement at remunerative prices and technological and infrastructural support from the public sector, sections of the peasantry are likely to accept the hegemony of the corporates and get organized under their aegis.

The background to the IAD PPP initiative is the so-called new vision for agriculture (NVFA) put forward at the World Economic Forum in Davos in 2011.The NVFA initiative is led by 26 global Partner companies that span the full food value chain and beyond, including: AgCo, Archer Daniels Midland, BASF, Bayer CropScience, Bunge, The Coca-Cola Company, Diageo, DuPont, General Mills, Heineken, Kraft Foods, Metro, Monsanto Company, Maersk, Mosaic, Nestlé, PepsiCo, Rabobank International, SABMiller, Swiss Re, Syngenta, Teck Resources, Unilever, Vodafone, Wal-Mart Stores and Yara International.

A recent presentation by a senior government official indicates that in late 2012, 35 proposals covering an area of 12 lakh hectares and 11.7 lakh farmers had been received from corporates, including from large players such as ITC and Nestle.[4]

The IAD-PPP scheme reflects the broader and fundamental position of the government that small holder farming – and the small and middle peasantry with it — is obsolete, and land must be handed over to the corporates in order to modernize agriculture and enhance productivity. Consolidation of holdings under the aegis of the corporates is only a first step in this process. In parallel, many State governments have been enacting legislation raising land ceiling limits and creating provisions for corporates to acquire and operate large tracts of land at near zero rentals from the State and encouraging small and marginal farmers to sell out to the big players. In essence, the central government is providing huge subsidies to the corporate sector directly through this scheme and indirectly by allowing corporates to lease huge amounts of government land for very long periods at practically zero cost. The scheme is an open abdication of the state's responsibility to provide infrastructural, credit, extension and technical and research inputs to the peasantry, to provide quality inputs at affordable prices and in a timely manner, and to ensure through open-ended procurement of farm produce at remunerative prices. The democratic movement has to strongly oppose these moves. In place of the IAD-PPP scheme with funding from RKVY, we should propose substantial increase in public investment in agriculture and related infrastructure, timely provision of inputs of quality at affordable prices, cheaper and more credit, expansion and strengthening of extension and research services and prompt procurement at remunerative prices as well as creation of price stabilization funds for crops with considerable price volatility. Where there are economies of size and scale to be obtained by consolidating holdings, this must be done at the initiative of peasants and must be driven by them collectively, not by corporates.

Hand-in-hand with corporatization, the central government as well as many state governments have, for a number of years now, been seeking to roll back even the limited land reforms that had taken place in the period prior to neoliberal reforms. The fight to defend the peasantry against the onslaught of neoliberal reforms in general and penetration of large foreign and domestic capital in particular, must also include the fight for comprehensive land reforms and for the abolition of landlordism.

SUMMARY AND CONCLUSIONS

One may sum up the current agrarian crisis in the following terms:

- There has been a significant slowing down of the growth of output and yield of most major crops
- Crop agriculture and animal husbandry have become unviable for a large majority of the peasantry
- The agrarian distress has been responsible, in the main, for more than a quarter million farmers ending their lives between 1997 and 2012.
- Rural employment has grown more slowly during the period of reforms than earlier. Nearly all the increase in employment has been of poor quality, characterized by informality and low earnings.
- At the same time, the crisis is not uniform across space and time. The period 1997-2003 saw stagnation, while the period since has seen some revival of agricultural growth. However, even with some recovery in growth, the crisis remains severe in its impact on the majority of the agrarian population
- While the crisis continues, there has also been some degree of capital accumulation. This is reflected in rising yields of most crops, though at rates much slower than before the acceleration of neoliberal reforms. It is also reflected in considerable rise in the sale and use of agricultural machinery.
- While there has been dispossession, operations of the land and real estate mafia, corporate land grab and so on, not all the accumulation is by dispossession alone. There has been growth of productive forces and enrichment of a small section of the agrarian population as well.
- While the role of international capital and its penetration of Indian agrarian and rural economy have increased rapidly during the period of neoliberal reforms, the basic contradiction in the Indian countryside between landlordism and the mass of the peasantry and agricultural labourers is intact and is very far from being resolved. Land monopoly and concentration of productive assets in the hands of landlords and capitalist farmers as well sections of the rich peasantry continue to define the countryside in large measure. Oppression against dalits, adivasis and women remains an important and persistent feature of the rural economy and society.
- The focus in this paper has been on the role of neoliberal policies in the severe agrarian crisis and agrarian distress in India at present. However,

> the permanent structural crisis of the Indian economy- that of landlordism and the pursuit of a path of capitalist development under a bourgeois-landlord state structure and under the leadership of the big bourgeoisie, which, while increasingly collaborating with international finance capital, still enjoys some measure of autonomy vis-à-vis imperialism – must not be lost sight of. [5]

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2. R. Ramakumar (2012), 'Large Scale Investments in Agriculture in India', *IDS BulletinVolume 43 Number S1 July 2012*, pp. 92-103.

NOTES

[1] As Ramakumar (2012, p. 95) points out, '… public investment in agriculture, as a share of agricultural GDP, rose till the late 1970s, began to decline from the early 1980s and continued to decline in the 1990s up to 2004/05. After 2004/05, there was a moderate improvement in public investment, although this began to fall again after 2006/07. In 2009–10, the share of public GFCF in agricultural GDP stood at 3.2 per cent, which was still lower than the corresponding share for the early 1980s.'

[2] *State of Indian Agriculture 2012-13*, Ministry of Agriculture, Government of India, Table 1.2, p. 3.

[3] http://www.ibef.org/industry/agriculture-india.aspx

[4] http://www.indianexpress.com/news/with-eye-on-multibrand-retail-fdi-chases-agricultural-services/1176238/ See also http://fdiindia.in/fdi-in-agriculture.php

[5] http://www.nhm.nic.in/Archive/PPPIAD-Brochure.pdf

[6] agricoop.nic.in/Kharif2012/JS%20Seed.ppt

[7] The meticulous village surveys carried out by the Foundation for Agrarian Studies since 2005 in several villages spread across many States of India bring out the strong presence of landlordism as well as the emergence of a class of capitalist farmers and continuing differentiation in the countryside. Some of the studies have been reported in various issues of the journal *Review of Agrarian Studies,* available online at www.ras.org.in.