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Agrarian Change in India

Understanding the Continuities

and Shifts

Among Marxists invested in rural studies in the developing world, the nature of agrarian change has been a central theme of scientific enquiry – both from the point of view of theory and practice. Understanding agrarian change did not just involve studying the historical paths and methods of the elimination of pre-capitalist relations of production in agriculture; it also involved identifying the primary and emerging contradictions in the agrarian society and formulating and repositioning agrarian demands and strategies. In a country like India, this has been a continuing effort, as capitalist penetration into the Indian countryside has been varied and complex, and the policies of the Indian state and the concrete situations on the ground have been shifting.

I. AGRARIAN CHANGE AFTER THE 1950S

The question of land – and the slogan of “land to the tiller” – were part of India’s freedom struggle itself. Given the structure of India’s agrarian society inherited from the British, land reforms were to be central to independent India’s efforts to not just modernise agriculture and increase production but also to expand multiple freedoms of the rural working people. After independence, the agrarian movement of the Left forcefully articulated the need for land reforms. The Indian National Congress was hardly committed to implementing land reforms, but even they could not fully ignore the land question, especially in the context of large-scale evictions of tenants in the 1950s and 1960s.

The failure of the bourgeois-landlord state of India to implement land reforms is well-documented.¹ Land reforms were implemented only in those regions where the Communists were either in power or had significant political influence. The minimal agrarian reforms pursued by the Congress governments in various regions reinforced the political foundations of the bourgeois-landlord state. They neither transformed agrarian relations from the pre-capitalist fetters nor unleashed productive forces in any significant way.

The continuing domination of big landlords in rural India did not just have *economic* implications. Land ownership was the material basis for *social* discrimination and *political* dominance. Upper caste landlords continued to exploit Dalits, Adivasis and other socioeconomically backward groups because their domination over land ownership gave them a certain social sanction. Political parties like the Indian National Congress derived their votes and legitimacy in the rural electorate because they were led and financed by the big landlords.

¹ For a historical analysis of the implementation of land reforms in India, see Venkatesh Athreya’s paper, “The Land Question and Globalisation: Some Reflections on the Relevance of Redistributive Land Reforms”, in D. N. Reddy (edited), *Agrarian Reforms, Land Markets, and Rural Poor*, Concept Publishing Company, New Delhi, 2013.

From the late-1960s, the development of capitalist relations in rural India was hastened with the onset of the green revolution and various public institutional support systems in the fields of prices, subsidies, credit, marketing, research and extension. The growth of capitalist relations intensified peasant differentiation. The traditional class of landlords further consolidated their positions of power in the rural social hierarchy. Below them emerged a moderately sized class of rich peasants and middle peasants. But the large-scale eviction of tenants transformed many among the middle peasantry into poor peasants with inferior rights or forced them to join the large and growing army of landless agricultural labourers – i.e., the rural proletariat. The landlord and the rich peasant classes continued their exploitation of the poor peasantry and the landless agricultural labourers.

The limited agrarian reforms of the Congress governments at the State-level – and the overall political domination of the Congress party – were successful in drawing sections of the peasantry towards its fold and disrupting the potential for peasant unity founded on the mass of poor peasants and agricultural labourers. Consequently, the political reach of the more radical demands for abolition of landlordism, tenancy reforms, and the redistribution of land was restricted to a few regions.

By the 1980s, capitalist penetration in the agrarian society significantly advanced. Marxist analyses underlined varying regional patterns of such growth of agrarian capitalism. In those regions of India where land reforms were carried out within the constitutional constraints, land redistribution was no more the primary slogan. The new issues in these regions pertained to the introduction of new technologies, credit facilities, storage facilities, marketing facilities, cooperative cultivation, public distribution system, agro-based industries and dairy and fisheries. In other regions of India, where there was greater capitalist penetration, the old forms of land monopoly had ceased to exist, and productive forces had rapidly advanced. The rallying questions for the peasantry in these regions were related to inputs, remunerative prices, marketing, and irrigation, apart from the issues of wages and working conditions of agricultural labourers. In the vast remaining regions of India where pre-capitalist relations thrived and dominated, the land question remained an important issue. Here, large landlordism continued to survive, tenants and sharecroppers were heavily exploited, and Dalits and Adivasis constituted the large landless labour force.

II. THE CONTINUING RELEVANCE OF THE LAND QUESTION

The extent of landlessness

Even after 78 years of independence, concentration of land ownership at the one end and high levels of landlessness at the other remain features of India's agrarian society.² Data from the surveys of the National Sample Survey Office (NSSO) show that about 41 per cent of the rural households did not own any agricultural land in 2018-19. Data from the National Family Health Survey (NFHS) show that about 47 per cent of rural households did not own any agricultural land in 2015-16. The Socioeconomic and Caste Census (SECC) of 2011 showed that 56 per cent of rural households were

² For an extensive analysis of the land question and its implications for class formation in India's agrarian society, see the report of the study group on "On Agrarian Classes", *The Marxist*, 32 (2), April-June 2016 (available at: <https://cpim.org/wp-content/uploads/old/marxist/201602-marxist-studynotes-agrarian-classes.pdf>). Also see V. K. Ramachandran's article, "The State of Agrarian Relations in India Today", in *The Marxist*, 27 (1-2), January-June 2011.

landless.³ According to the NSSO data, the extent of landlessness was extremely high in States like Andhra Pradesh (54.4 per cent), Bihar (49.3 per cent), Punjab (46.3 per cent) and Telangana (42.5 per cent) in 2018-19. More recent official data on landlessness are not yet available.

Across social groups, landlessness is disproportionately high among Dalits, Adivasis and Muslims. According to the NSSO, 57.3 per cent of Dalit households, 53.1 per cent of the Muslim households and 32.8 per cent of Adivasi households were landless in 2018-19. NFHS data for 2015-16 show even higher levels of landlessness among these sections: 61.7 per cent among Dalit households, 61.3 per cent among Muslim households and 40.8 per cent among Adivasi households.

Land is also predominantly owned by men than women. The share of landowning households that reported land titles in the name of women (singly or jointly) was only 10.3 per cent in 2015-16. But in a State like Kerala with a rich history of struggles for gender equality, this share was significantly higher at 32 per cent.

Inequality in land ownership

At the other end, concentration of land in a few hands remains a reality in India's villages. NSSO data for 2018-19 show that the top 20 per cent of the rural households owned 76 per cent of all land.⁴ NFHS data for 2015-16 show that the top 20 per cent of the rural households owned 83 per cent of all land. These shares also rose steadily over the last two decades. The share of land owned by households that owned more than 30 ha of land was 20.4 per cent in rural India. The corresponding shares were 65.1 per cent in Tamil Nadu, 37.5 per cent in Odisha, 28.8 per cent in Bihar, and 27.4 per cent in Uttarakhand.

Exhaustive field studies in India's villages also show that the concentration of ownership of land and other agricultural assets in rural India is very high (see the accompanying article by V. K. Ramachandran in this issue). Data from village surveys in various States conducted by the Foundation for Agrarian Studies (FAS) show that the share of the value of all assets owned by all households in a village (land, other productive assets, and other assets) owned by the top 5 per cent of households varied between 40 per cent and 60 per cent of assets owned by all village households, while the share owned by the bottom 50 per cent of households was between 1 per cent and 15 percent of total assets.

According to an analysis of the data collected by the FAS, in nine out of 13 villages belonging to six States, the top 5 per cent of landowners owned between 40 per cent and 54 per cent of the land owned by all village households while the bottom 50 per cent owned between 0 per cent and 6 per cent of land. In the other four villages, the top 5 per cent owned between 20 and 35 per cent of the land, while the bottom 50 per cent of households owned between 10 per cent and 18 per cent of the land.

Distribution of ceiling surplus land

³ The data on the extent of landlessness used in this section are drawn from the article by Vikas Rawal and Vaishali Bansal, "The Land Question in Contemporary Rural India", which was a chapter in R. Ramakumar (edited), *Distress in the Fields: Indian Agriculture after Economic Liberalisation*, Tulika Books, New Delhi, 2022.

⁴ Ibid. (2022).

The distribution of ceiling surplus land continues to be an important slogan for the agrarian movement. Official data show that large extents of ceiling surplus land are yet to be distributed to the landless households.⁵

Land and its distribution fall under the legislative and administrative jurisdiction of the States as provided in Entry 18 in the State List of the Indian Constitution. Till 2015, 68.5 lakh acres was declared surplus of which 61.4 lakh acres was taken into possession and 50.9 lakh acres was distributed to 57.3 lakh beneficiaries. In other words, close to 7 lakh acres of land was declared surplus but not yet taken into possession by the State governments. Also, more than 10 lakh acres of land was taken into possession by the governments but not yet distributed. Together, about 18 lakh acres of land were declared surplus but not yet taken possession of or distributed. These are huge extents of land, and their distribution continues to be an important demand of India's rural poor. A part of these lands may be embroiled in legal battles, but State governments must be forced to distribute other lands without delay. In cases of legal delays, the demand must be to set up more special land tribunals to speed up their resolution within a short timeframe.

Related to the distribution of ceiling surplus land is the question of access to, and control of, government wastelands, public lands, temple lands, and village common lands/panchayati lands, such as pastures and grazing lands. Historically, such lands were under the control of landed and high-caste elites. In addition, there is also the issue of land mobilized under the Bhoodan movement.

Government wasteland

The category of government wasteland broadly includes cultivable waste land, fallow land, degraded land, barren and uncultivable land, waterlogged/marshy land and saline land. According to the Draft National Land Reforms Policy of 2013, there were about 6.4 crore hectares of government wasteland, constituting more than 20 per cent of India's total geographical area. The Wastelands Atlas of India 2019 reported that the total wasteland area was about 5.6 crore hectares in 2015-16 i.e., about 17 per cent of the total geographical area.

The official publication titled *Agricultural Statistics at a Glance, 2023* provides figures for various categories such as forest land, barren and un-culturable land, permanent pasture and other grazing land, fallow lands and culturable waste land. For our purposes here, only one class of wastelands is relevant: the culturable wastelands. In 1950-51, there was about 2.3 crore hectares of culturable waste land that reduced to about 1.2 crore hectares in 2021-22. In 2021-22, the area under cultural waste land constituted about 4 per cent of India's reported geographical area.

Till 2015, however, only 62 lakh hectares of wasteland were distributed in India. In other words, the remaining about 60 lakh hectares of wasteland can potentially be distributed among the landless households. This must be another important area of focus for the agrarian movement.

One disruptive issue in the distribution of wasteland is encroachment. But equally disruptive is the policy of many State governments to develop or auction off wastelands to corporate and industrial groups instead of distributing them to the landless. In some States, wastelands have been transferred to the Department of Forestry for social forestry programmes; the forest department sees landless households in such regions as encroachers and criminalise them up on any attempted access.

Bhoodan land

⁵ For more data at the State-level on the availability of ceiling surplus land, see the Commission Report titled "Issues of Land Policy in Rural India" of the 35th All India Conference of the All India Kisan Sabha, Thrissur, 13-16 December 2022.

About 21.7 lakh acres of land was mobilized under the Bhoodan movement by the mid-1950s. Various State governments later created their own Bhoodan Acts to distribute such land. Till 2015, about 16.7 lakh acres of Bhoodan land was distributed among the landless but the status of the remaining 5 lakh acres is shrouded in mystery. Of these 5 lakh acres, 1.6 lakh acres are in Bihar; 1.4 lakh acres are in Andhra Pradesh and Telangana; 77,000 acres are in Maharashtra; 59,000 acres are in Odisha; and 31,000 acres are in Madhya Pradesh.⁶

There is no nation-wide attempt to identify and distribute the remaining Bhoodan land. What is most amusing is that much of the Bhoodan land claimed to have been distributed is not in the possession of the beneficiaries. Much of this land was diverted to big industry or encroached upon by the locally influential and landed sections. The Bihar Land Reforms Commission (the D. Bandyopadhyay Commission, 2006) noted several irregularities with the distribution of Bhoodan land in the State. Most glaring was the decision of the government to classify about half of the land in the Bhoodan land bank as “not suitable for distribution” with no further clarification or justification. Probably, this land was captured by influential sections at the local level. Many other States have passed legislations allowing Bhoodan land to be given away to big corporates in the name of industrialization. In many cases, such industry never comes up and the land ends up being used for speculative purposes.

Pastures/Grazing land

According to *The Agricultural Statistics at a Glance, 2023*, there was about 1 crore hectares of “permanent pastures and other grazing land” in 2021-22. Over the years, this category too witnessed consistent decline.

The Draft National Land Reforms Policy, 2013 classified village pastures and grazing land as part of the village’s Common Property Resources (CPR). The draft policy argued that CPRs must not be redistributed or allocated for other purposes, and encroachers must be penalized heavily. This position is not surprising as construing village CPRs as beneficial to the entire village has been an article of faith among apolitical social activists, governments, and academics alike. Even the Supreme Court of India has issued judgments against the encroachment of such lands. However, it is also well-known that there have been numerous historical struggles, especially led by landless Dalits, to access such lands for personal and cooperative cultivation. The agrarian movement must take a clear political position that such village pastures and grazing lands must also be used for distribution among the landless.

Forest land for Adivasis

The issue of land rights of the forest-dwelling Adivasi communities and other traditional forest dwellers has been a contentious matter since the 1950s. Drawing on the colonial legacies, forests were mostly understood as an *economic resource* in the first few decades after independence. The other perspective that informed forest management was that of *conservation*. The forest governance regime was highly centralised and did not consider the rights of the forest-dwelling Adivasi communities. They were regarded as a barrier to the exploitation of forests. This was reflected in the instances of mass eviction of these communities from their traditional habitat, and a series of protest movements in the subsequent decades.

⁶ For more data at the State-level on the availability of Bhoodan land, see the Commission Report titled “Issues of Land Policy in Rural India” of the 35th All India Conference of the All India Kisan Sabha, Thrissur, 13-16 December 2022.

The perspective began to change in the late-1980s with a growing recognition of the importance of the forest and forest produce for Adivasi livelihoods, and the need for protection of their land rights. Organised struggles from below also encouraged the process of change. The UPA-1 government supported by the Left parties took the decision to stop the eviction of forest dwellers and took steps to restore and recognise the rights of Adivasis. The culmination of this process was the passing of Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, or FRA, in 2006. FRA was an attempt to address the historic injustice faced by the forest-dwelling communities.

But the scale of implementation of FRA has been limited. As of 1st June 2025, a total of 51.2 lakh claims were filed in India. Of them, only 25.1 lakh claims were accepted and titles distributed. In other words, only less than 50 per cent of titles were distributed compared to the claims received.⁷

The poor success rate of land distribution is due to multiple problems that have plagued the scheme's implementation. Claimants of Individual Forest Rights (IFR) often receive land without maps of their recognized forest land, and the titles of recognized forest lands do not match their actual positions. Misinterpretations and violations of FRA provisions by government officers are common. District administrations arbitrarily reject genuine claims of claimants. There is lack of coordination between various government agencies or departments involved in the claim settlement process. Institutional support in the post-claim recognition process is also poor, which often leads to harassment of forest dwellers.

The implementation and enforcement of FRA is also uneven across States. Till June 2025, about two-thirds of all the IFR claims were from Odisha, Madhya Pradesh, Chhattisgarh, Maharashtra, Telangana and Tripura. These six states also accounted for more than 70 per cent of the total recognised IFR lands in India. More than 70 per cent of the Community Forest Rights (CFR) claims were also from the five States of Odisha, Madhya Pradesh, Chhattisgarh, Maharashtra, and Gujarat; these States accounted for almost 80 percent of the total recognised CFR claims, as well as of total recognised CFR land area, in India.

There is a lack of political will among non-Left political parties to genuinely implement the FRA. This is particularly true of the Congress and the BJP, which have in various instances proved that their allegiance to FRA is limited to electoral promises.

Ease of land acquisition

While the implementation of land reforms took a backseat from the 1970s itself, the liberalisation of the economy after 1991 led to the reversal of land reform laws in many Indian States to aid the process of capital accumulation inside and outside agriculture. Essentially, the objective of policy was to create a “free land market” and ensure that land as a commodity was freely bought and sold in that market. Land reform laws were seen as obstacles to the creation of a free land market, where land ought to be owned, possessed and transferred by individuals or institutions without limit or conditions. Thus, neoliberalism began attempts to remove all land ceiling limits by diluting land reform laws.⁸

In addition, there was a rising demand for agricultural land for non-agricultural purposes – in particular, to establish industrial units, special economic zones (SEZ), IT parks, and residential units.

⁷ These data were sourced from the documents of the Ministry of Tribal Affairs, Government of India.

⁸ For a detailed analysis of this issue, see the Commission Report titled “Issues of Land Policy in Rural India” of the 35th All India Conference of the All India Kisan Sabha, Thrissur, 13-16 December 2022.

In many States, land reform laws contained restrictions on the transfer of agricultural land to non-agriculturists or buyers with different domicile status. There were also restrictions on the conversion of land from agricultural uses to non-agricultural uses. In addition to either removing or reducing the ceiling limits on land, these clauses too had to be amended to make way for a free flow of private capital into the purchase of land for industry and services.

Till 2013, governments in India were allowed to indiscriminately and coercively acquire agricultural land – in a blatant misuse of the “eminent domain” principle to handover land at cheap rates to private capital – and pay paltry compensations to the affected persons with little consideration given to resettlement and rehabilitation. This anomaly was partially corrected in The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLARR) Act, passed in 2013.

But corporate industrial houses lobbied against the provisions of the RFCTLARR Act. Succumbing to their lobbying, the first Narendra Modi government passed an ordinance in December 2014 that diluted most of the progressive provisions in the RFCTLARR Act. The ordinance not only reinstated the “eminent domain” of the state to acquire land without consent but also facilitated the forcible acquisition of land for various “private purposes”. But the ordinance could not be converted into an Act of the Parliament, as the RFCTLARR Amendment Bill could not be passed in the Rajya Sabha.

Nevertheless, today, many States do not follow the RFCTLARR Act, 2013 for land acquisition in all cases. Instead, as per their convenience and suitability, they adopt different processes like land pooling and negotiated purchase outside the RFCTLARR Act. To be free to adopt these corporate-friendly measures, they issued revised and diluted the Rules to the RFCTLARR Act at the State-level or passed amendments to the RFCTLARR Act (under Section 109 of the 2013 Act) and the State-level land ceiling laws. In effect, most of the provisions of the field ordinance of 2014 were stealthily incorporated into State-level Rules or land ceiling laws.

Struggles against coercive and indiscriminate acquisition of agricultural land has emerged as a new sphere of agrarian struggles. The demand of the agrarian movement is that the spirit of the RFCTLARR Act of 2013 must be upheld in all State-level legislations and Rules on land acquisition. All other provisions – added to weaken and dilute the provisions of the 2013 Act and ensure a backdoor entry of the provisions of the 2014 ordinance – must be withdrawn. Informed Consent and Social Impact Assessment must be the touchstones of whether agricultural land can be acquired for non-agricultural purposes.

III. THE GROWING AGRARIAN DISTRESS

The liberalization and globalization of the Indian economy from the 1990s led to new changes in the agrarian social structure. These policies of neoliberalism introduced new contradictions into the agrarian society. On the one hand, agrarian conditions worsened, and agrarian distress became a growing phenomenon.⁹ The growth of the agrarian economy was periodically stymied, as agricultural prices became volatile and vulnerable to the vagaries of free trade, profitability rates in cultivation fell, peasant indebtedness grew, and corporate penetration in agriculture expanded. The material conditions of poor peasants and agricultural labourers worsened relative to other rural classes. Over three lakh farmers committed suicide between 1997 and 2022.

⁹ For a detailed analysis of data and policies on neoliberalism and Indian agriculture, see the chapters in R. Ramakumar (edited), *Distress in the Fields: Indian Agriculture after Economic Liberalisation*, Tulika Books, New Delhi, 2022.

In the 1990s and after, there was a steady weakening of public institutional support to agriculture. The growth of public capital formation in agriculture stagnated, as did the growth of public expenditure on agricultural research and extension. The protection offered to agriculture from predatory imports was removed, resulting in downward pull on the commodity prices. As part of fiscal reforms, the input subsidy system was restructured due to which input prices and costs of production increased sharply. Consequently, profitability rates in agriculture fell. The growth of rural credit slowed down in the 1990s, reopening the doors for the rural moneylenders. Then, after the 2000s, public banks increasingly catered to the needs of large farmers and corporate agri-business groups. Regulated markets came to be treated as obstacles to efficient marketing, and they were attempted to be deregulated through new legislations like the three infamous farm laws of 2020. New rules and guidelines related to bans on cattle slaughter and beef eating after 2014 dealt additional blows to the already worsening livelihoods of rural households.

The long-term aim of neoliberal policies in Indian agriculture is to replace the agrarian system dominated by small and marginal farmers with one dominated by corporates. After 1991, corporate groups entered Indian agriculture across multiple spheres – in agricultural research and extension; in seed production; in fertiliser and pesticide production; in micro-irrigation; in agricultural marketing; in value-addition; and in futures trading. Policy changes related to foreign direct investment, ease of doing businesses, land acquisition, the failed farm laws and digitalisation of agriculture through applications like the *Agristack* were all efforts to promote the growth of corporate houses in agriculture. There were critical changes in the definition of agricultural credit by the Reserve Bank of India (RBI), which allowed a larger and uninterrupted flow of bank credit to corporates, partnership firms, joint stock companies and agribusiness firms in agriculture. The government also opened the doors of offering agricultural insurance to corporate insurance companies.

Notably, as every effort to expand corporate presence in agriculture also met with resistance from peasant organisations, their actual realisation on the ground was either incomplete or inadequate to extend corporate penetration beyond a limit. For example, direct farming by corporate houses through direct land purchase or land leases – that could be called “corporate farming” – is limited in India. There are two major reasons. First, only a few states have dared to amend their land reform laws to allow large-scale cultivation by corporate houses. Many states continue to have laws that allow only “agriculturists” to purchase agricultural land. Secondly, as many farming households own small holdings, the transaction costs of working with these households are large. This has rendered the economics of direct farming unviable for corporate houses. Due to these and other reasons, corporate presence in Indian agriculture is not yet visible in direct cultivation and is only partly visible in a range of other spheres.¹⁰

Indian agriculture, 2014-2024

The agrarian distress was an important issue in the political campaigns leading to the elections to Parliament in India in April–June 2024. These campaigns were preceded by an unprecedented farmers’ agitation; marked by slogans connected to the agrarian movement; interspersed with hostile boycotts of Bharatiya Janata Party (BJP) candidates in villages; and assessed by observers as being

¹⁰ For an analytical enquiry into the economic importance of corporates in Indian agriculture, see Surajit Mazumdar’s paper titled “The Corporate Sector and Indian Agriculture Under Liberalisation”, *Review of Agrarian Studies*, 13 (1), January–June 2023. Mazumdar notes that “the penetration achieved through corporate presence in agriculture-linked sectors is far from complete, and Indian agriculture also remains mainly oriented to the domestic economy”. This feature, however, makes the agricultural sector a viable and potential candidate for an expansion of corporate presence in the foreseeable future.

emblematic of the continuing relevance of agrarian issues in Indian politics. The outcome of the elections, in which the BJP failed to obtain a simple majority, was further evidence that agrarian issues played a significant role in swinging voter preferences, particularly in the rural areas of northern and western India.

The importance of agrarian issues in the 2024 election campaign was not based on immediate or short-term grievances of farmers. The fact is that the relationship between the National Democratic Alliance (NDA) government led by Narendra Modi and the farmers of India between 2014 and 2024 was consistently contentious. First, the Modi government was seen as being responsible for an overall economic slowdown and for the poor growth of rural employment. Secondly, the Modi government failed to fulfil a series of promises it made to the farmers in the wake of its election campaigns in 2014 and 2019. Thirdly, the Modi government's efforts to introduce the three farm laws were met with united resistance from farmers. Finally, several ill-thought measures of the Modi government led to enormous suffering among farmers and affected the health of the agrarian economy adversely.

Four broad points could be made about the overall performance of agriculture under the Modi government between 2014 and 2024.¹¹ First, the overall state of the agrarian economy between 2014 and 2024 was marked by poor incentives to invest and a slow growth of agricultural prices. The MSPs for major crops like paddy, wheat, cotton, soybean and gram rose by 8 to 10 per cent per year between 2003-04 and 2012-13 but rose by only 5 to 6 per cent per year between 2013-14 and 2023-24. The promise made by the Modi government was that MSPs for crops would be fixed as per the recommendations of the National Commission of Farmers (NCF). The NCF recommendation was to fix the MSPs at 50 per cent higher than the C₂ cost of production. But the government has been fixing the MSPs at 50 per cent higher than the A₂+FL cost of production and claiming adherence to the NCF recommendations. Consequently, as per the estimates of the All India Kisan Sabha, farmers will be paid MSPs lower per quintal by ₹766 for paddy, ₹2,365 in cotton, ₹2,258 for tur/arhar, ₹2,446 for moong, ₹2,443 for urad, and ₹528 for maize in the Kharif season of 2025-26.¹²

Secondly, profitability rates in agriculture declined across crops, leading to a fall in the real incomes from cultivation for agricultural households. While agricultural prices remained subdued and MSPs grew at a slower rate, costs of inputs rose sharply. A good proportion of the rise in input costs was induced by conscious neoliberal shifts in policy that aimed at restricting subsidies for agricultural inputs. Official data show that the rise in the costs of cultivation overtook the rise in MSPs, leading to a fall in profitability rates in a range of crops.

An important reason for the rise in input costs was the rise in the prices of fertilisers and other chemical inputs. India's fertiliser policy after 1991 – and particularly after 2014 – had three key features. One, there was almost no new capacity generation in the public sector with respect to the domestic production of fertilisers. Consequently, India's dependence on imported fertilisers rose. Two, an increasing role was assigned to the private sector in the import, production, and sale of fertilisers. In 2022, about half of the total production of nitrogenous fertilisers and about three-fourths of the production of phosphoric fertilisers were in the private sector. Three, there were major shifts in the pricing policy that aimed at a full deregulation of the retail prices of phosphoric and potassic fertilisers in the 1990s – and then another shift in 2009 to a nutrient-based subsidy regime that ended

¹¹ For a detailed analysis, see R. Ramakumar, "India's Agricultural Economy, 2014 to 2024: Policies and Outcomes", *Review of Agrarian Studies*, 14 (1), January-June 2024.

¹² See the statement of the All India Kisan Sabha, dated 29 May 2025, at <https://kisansabha.org/aiks/press-releases/narendra-modis-eleven-years-of-betrayal-kharif-msp-way-below-promised-c250/>.

up shifting a large part of the production costs to the farmers. These measures reduced the role of the government in regulating fertiliser prices and increased the retail prices of fertilisers.

Thirdly, the government failed to fulfil the promise of doubling real farm incomes between 2015 and 2022. Data from the government's Situation Assessment Surveys (SAS) of 2012-13 and 2018-19 partly attest to this trend (more recent data are not yet available). Over this six-year period, the total monthly income of agricultural households rose by 59 per cent in nominal terms, but by only 26 per cent in real terms. Further, and more importantly, the monthly income from "cultivation" fell in real terms from Rs 2,855 to Rs 2,816 (a -1.4 per cent fall). Total incomes rose because of a rise in incomes from "animal farming" and "wages" – the latter indicating a higher level of proletarianisation among agricultural households in the rural areas. The enormity of the contemporary distress in India's agrarian society is fully borne out by the absolute fall in real incomes from cultivation.

Finally, various policy interventions of the government linked to the agrarian economy – such as the effort to dilute land acquisition laws, the efforts to ban cow slaughter and restrict cattle trade, demonetisation, GST reform and the enactment of the three farm laws – created great anger among farmers and created the basis for new unity across agrarian and rural organisations. The results of the 2024 elections to the Parliament – which were a clear reflection of the anger of the rural electorate against the policies of the Government of India led by the BJP – were a measure of the success of united rural mass movements.

IV. CONTINUING CAPITAL ACCUMULATION

While all the issues raised in the last section were undeniable immiserising features of the period of neoliberalism, traditional concentration in land ownership and possession persisted, capitalist relations continued to penetrate the countryside, productive forces advanced, peasant differentiation progressed and there was growth of private investment in agriculture. In other words, it would be wrong to assume that the growth of productive forces was halted, or the mass of the peasantry was collapsed and homogenized into an undifferentiated group under the weight of neoliberalism.

First, there were periods of growth of the agricultural economy after 1991 that preceded, or were succeeded by, longer periods of slowdown. In such a short period of growth between 2003-04 and 2010-11, production and productivity of most crops grew. Even after 2010-11, when the growth of India's agricultural economy slowed down, there were specific crops like pulses, maize, fruits, and vegetables that continued to experience growth of production and productivity. In crops like cotton, a rise in productivity – owing to new seed technologies – allowed India to increase its annual exports even when incomes of cotton farmers came under stress.

Secondly, though public investment in agriculture stagnated under neoliberalism, private investment in agriculture continued to grow. In 2015-16, the gross fixed capital formation (GFCF) in agriculture and the allied sectors constituted 11.6 per cent of the gross value added in agriculture and the allied sectors. In 2022-23, the corresponding share rose to 16.7 per cent.¹³ Most of the rise in the private fixed capital formation was in the construction of wells and farmhouses and the purchase of tractors, tillers, combine harvesters and micro-irrigation structures. Such growth of private investment was aided by the growth of bank credit to agriculture after 2003. Even though a large part of the fresh agricultural credit after 2003 went to agribusiness and corporate players, more bank credit was accessed by farmers to finance various types of private investment.

¹³ For a detailed analysis, see R. Ramakumar, "India's Agricultural Economy, 2014 to 2024: Policies and Outcomes", *Review of Agrarian Studies*, 14 (1), January-June 2024.

Thirdly, outside the sphere of crops, there was significant growth in the gross value added (GVA) in the allied sectors of agriculture, such as livestock and fisheries. GVA in livestock grew annually at a rate of 3.6 per cent in the 1990s, 4.4 per cent in the 2000s, and 6.0 per cent in the 2010s. In fact, real incomes of agricultural households from animal farming rose by 65.9 per cent between 2012-13 and 2018-19 (more recent data are yet unavailable). Similarly, GVA in fisheries grew annually at a growth rate of 4.1 per cent in the 1990s and 2000s, and 9.7 per cent in the 2010s.

In other words, there was a continuity in the advance of capital accumulation in agriculture under neoliberalism. But such capital accumulation was uneven across crops and regions and was accompanied by an overall immiserisation of small and marginal farmers. Capital accumulation was also marked by peasant differentiation, especially proletarianization.

Proletarianization proceeded at two levels. First, there was an intense squeeze on the profits of small and middle peasantry, a growth of farm mechanisation and shifts in the agricultural labour process. There were more sale of land and an expansion in the market for rural hired labour.¹⁴ Consequently, larger sections of the small and middle peasantry joined the hired labour market. With changes in cropping pattern and technology, tenancy contracts attained new forms and were marked by great diversity and complexity. Many exploitative forms of tenancy survived and even intensified in some regions with the emergence of unfree contracts that linked up land and labour markets. Land rents rose in areas of agrarian prosperity, particularly where productive forces expanded more rapidly. Secondly, the new policies and laws on land acquisition for non-agricultural uses contributed to a rise in land alienation in rural areas. These policies were based on the dilution of land ceiling provisions and the protective clauses for the peasantry in the older land reform laws.

The conclusion to be drawn from these complex changes is that India's agrarian question turned more complex in the era of neoliberalism. At one end, the rural landed sections continued to accumulate land and other forms of capital, but invested their agrarian capital in, and generated new surpluses from, a diversity of sectors and sources: in agriculture and outside; in the village and in the town and cities; in production and in asset purchases, speculation, and human capital. In many regions, a new class of the rural rich from the Other Backward Classes (OBC) emerged. For the small and marginal peasantry, given the limits of agricultural growth or diversification in their holdings, the share of income from the increasingly unviable agricultural sector has shrunk.

At the other end, the rural proletariat classes diversified employment in agriculture and non-agriculture; in time-rated contracts and piece-rated contracts; in the villages and in migration to the cities. For millions of rural labour households too, agriculture is no more a thriving source of income. A significant portion of their labour income comes from rural wage labour outside agriculture and migration/remittances, making them less dependent on, yet not free from, an agricultural sector in distress.

Thus, even as we correctly infer the implications of neoliberalism in Indian agriculture, to presume that all the new developments marked by the squeeze of the peasantry have replaced the "old" agrarian question with a "new" and reformist agrarian question – that assumes that rural differentiation is passé, presupposes a homogeneous peasantry, and subordinates rural class struggle – would be flawed.

New forms of capital accumulation in the rural areas also led to another phenomenon: an emerging group within the rural elite that benefits from, and hence supports, neoliberal economic policies. First, some sections of the rural rich see benefits in the neoliberal amendments of land reform

¹⁴ The report of the study group on "On Agrarian Classes", published in *The Marxist*, 32 (2), April-June 2016 has a detailed analysis of the emerging forms of tenancy.

laws that dilute land ceiling provisions. Such provisions allow them to retain large tracts of land for cultivation. Other sections among the rural rich stand largely indifferent to the acquisition of land for industrial uses in rural areas given the larger areas of land they can sell, and at the higher prices offered per unit of land under land acquisition legislation of 2013. In many regions, landed sections have also actively aided the efforts at land acquisition and even doubled up as brokers in land sales.

Secondly, large sections of the rural rich see enormous potential in the growth of high-value, capital-intensive, export-oriented, and horticultural crop-based diversification of agriculture. These sections possess the capital required to invest in high-value seeds, inputs, micro-irrigation and other elements of digital and precision farming techniques required to reap the benefits of horticultural growth. They welcome the growth of private-led extension services in the rural areas; this is so because no other source of technical advice exists on the more sophisticated techniques needed in high-end horticulture. These very sections also benefit from the subsidised credit schemes that have financed farm mechanisation over the past three decades; the rapid rise in the number of tractors, tillers and combine harvesters owned by farmers is an example.

Thirdly, there has been higher growth in the allied agricultural sectors of dairy, poultry and inland aquaculture after the 1990s. These allied enterprises are heavily linked up to private markets and are almost wholly guided by market-led incentives. Sections of the rural rich who have invested in these enterprises have had relatively less dependence on state support or government subsidies compared to their counterparts in crop cultivation. These sections too see benefits from neoliberalism, such as the dismantling of government regulations, the expansion of private markets or the possibilities of increasing exports.

In short, neoliberalism has new constituencies of support in rural India, even if these groups would desire and demand fresh and larger state subsidies for their own sub-sectors.

Finally, one should also not underestimate the opposition that has survived, and has grown, among the landed classes of the peasantry to government programmes like the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and the Public Distribution System (PDS). These sections see these schemes as contributing to a rise in the reservation wages of rural workers, if not a high-wage regime, which is inimical to their prospects of capital accumulation.

The continuing relevance of caste in the rural society is yet another fault line that militates against the argument for a “new” agrarian question premised on a homogenous class of peasants. The rise in the concentration of land under neoliberalism has reaffirmed the material basis of caste discrimination and exploitation in the rural areas. Dalits and Adivasis are regularly targeted by upper caste landholding sections. Upper caste landholders do not just oppose the redistribution of ceiling-surplus land, but also the distribution of government land or waste land or house sites to Dalits and the distribution of land near the forests to Adivasis. Upper caste groups also discriminate against Dalits and Adivasis on a variety of issues, such as access to roads, entry into temples, use of wells, and freedom to dine and marry across caste groups; social intercourse, as a general principle, is severely restricted for the oppressed caste groups. What is clear is that the annihilation of caste in rural India cannot be envisaged in the absence of an intensification of the class struggle.

V. CONCLUDING POINTS

Four points may be made in conclusion.

First, the strength of the Left agrarian movement has historically been based on the powerful mobilisation of the small and marginal farmers as well as landless agricultural labourers. The material demands of these sections of the peasantry centre around access to land. The question of land

distribution is nowhere near an expired political slogan in India. There are about 7 lakh acres of ceiling surplus land yet to be taken possession of, and another about 10 lakh acres of ceiling surplus land taken possession of but not yet distributed. About 60 lakh hectares of wasteland and another about 5 lakh acres of bhoodan land can potentially be distributed to the landless. There are many more lakhs of hectares of village pastures and grazing land to which the poorer sections of rural India have been struggling to either obtain access to or obtain ownership rights over. In many States, distribution of temple land is also a topical political issue. In addition to all the above, about 25 lakh claims of Adivasi households over forest lands remain unapproved under the FRA. It is only the Left within the larger agrarian movement that can address these demands around land in rural India.

Secondly, “reforms” in Indian agriculture after 1991 have imposed acute burdens on the small and marginal peasantry. With the weakening of various public institutional support systems – vis-à-vis prices, subsidies, credit, marketing, research and extension – agriculture came under a profit squeeze. Like the two diverging blades of a pair of scissors, the real prices of outputs and inputs have tended to move in opposite directions and led to a fall in the average profitability rates.¹⁵ Levels of indebtedness among cultivators rose, leading to unbearable debt burdens. The reactionary and irrational policy initiatives of the Modi government, including bans on cow slaughter, restrictions on cattle trade, corporate-friendly reforms in land acquisition procedures, demonetisation, and GST reform – not to miss the disastrous response to the Covid-19 pandemic – only accentuated the overall agrarian distress.

Thirdly, even as there was a squeeze on profits, capital accumulation in agriculture continued. Production and productivity rose in many crops, private investment in agriculture increased, and a rise in urban incomes led to a rise in demand for milk, fruits, vegetables, meat, and fish. The ensuing diversification, though limited, of cropping systems from lower-income staple cereals to higher-income horticulture, livestock, and fisheries was a driver of overall agricultural growth and a fresh source of agrarian surplus. These complex processes, varying in form and intensity across regions, implied that peasant differentiation progressed and proletarianisation intensified. Consequently, today’s rural areas consist also of strong votaries of neoliberalism in agriculture. These changing patterns of class composition must be studied by the Left in greater detail to understand their implications for the broader agenda of class struggle.

Finally, in line with the agenda of the concrete analysis of concrete conditions, the agrarian movement must objectively conceptualise the shifts taking place within Indian agriculture. Economic reforms, while primarily focused on industry and services, transformed Indian agriculture too. This transformation was not a linear progression but a process fraught with contradictions – one of the continued advances of productive forces amidst historically evolved and backward production relations; one of the co-existence of a quantitative growth in production alongside an economic distress among small and marginal farmers. It would appear that the “thesis” of new opportunities collided with the “antithesis” of persistent vulnerabilities, leading to a complex “synthesis” that defines India’s contemporary agrarian sector.

¹⁵ The analogy to the pair of scissors is more metaphorical and is not to imply a historical repetition of the Scissors Crisis in the Soviet Union in the 1920s. The crisis in the Soviet Union was essentially a state-managed imbalance in relative prices. What India faces today is a longer-term structural squeeze derived from a combination of unreformed agrarian relations as well as liberalisation and globalisation.