

# AGRARIAN SYSTEM IN INDIA AND ITS CHARACTER

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## INTRODUCTION

For a few decades to both the Marxist-Leninist activists as well as the academicians, Indian agrarian system, its developments and changes have become a point of very animated discussion. Along with it rose the question of change in mode of production in agriculture. This is a theoretical debate without practical bearing of great importance. Because the change in mode of production will affect the understanding on the character of society, on alliance of classes, and above all the strategy and tactics of revolution. So for the communist revolutionaries it has turned out to be of vital importance.

True, many changes have taken place in Indian agriculture continually from sixties of the last century. But point at issue is whether those changes have altered the mode of production itself. Our discussion on the issue will be based on Marxist theory. While doing so we shall try to avoid statistical data and tables except when absolutely necessary.

There are some who instead of defining it a capitalistic mode think it's a transitional phase. Both the above sections are experienced and active Marxist-Leninists. So let us examine their main and basic premises of arguments and analyse them basing on Marxism. Similarly we shall have to discuss positions of those orthodox persons for whom no change has taken place since the late 1960s.

## MAIN ARGUMENTS IN SUPPORT OF CAPITALIST MODE OF PRODUCTION

It is often argued that feudalism and/or pre-capitalist formations are old and decadent while capitalism is a new growing trend. So basing on certain capitalist elements growing in agriculture as Marxists we should conclude agriculture in India has turned capitalist, or in the process of transition from feudalism to capitalism.

But they forget that this argument stands if capital is developing in an independent social condition, in the era of imperialism in a country which did not achieve independence by overthrowing imperialism through social revolution, but by arrangement with imperialism, economic development in all spheres including capitalist development in agriculture is mitigated, not just impeded by imperialism. Political, economic and societal development in India cannot be understood without paying attention to her interrelations and interconnections with imperialist forces. From the days of British rule in India, feudalism has undergone many changes. Same is true for the big capital in India. But none of them can develop freely and independently without a revolutionary change of the society.

We shall discuss what happened in Indian agriculture since British rule in brief later. But before that let us examine various factors that create the mirage of capitalist development in agriculture in the eyes of some of our CR friends.

### A) COMMODIFICATION OF AGRICULTURAL PRODUCE

One of the most important arguments in favour of capitalist development of agriculture by our CR friends is commodification of agrarian produce. It is true that unlike the earlier days agricultural produce from food grains, cereals, oilseeds and other crops like potato, onion etc and even cash crops like jute and cotton are either marketed by the producers or stored in warehouses for future marketing.

But the first thing to be brought to the notice is that producing commodities does not make a mode capitalist. Commodity production was there from ancient times. Before going to what was Marx's opinion on it, let us look at the well known three stanza poem, *Cargo*, by John Masefield :

*Quinquirem of Nineveh from distant Ophir  
Rowing home to haven in sunny Palestine,  
With a cargo of ivory,  
And apes and peacocks,  
Sandalwood, cedar wood and sweet white wine.*

*Stately Spanish galleon coming from Isthmus  
Dipping through the Topics by the palm green shores,*

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*With a cargo of diamonds,  
Emeralds, amethysts,  
Topazes and cinnamon, and gold noidors.*

*Dirty British coaster with a salt-caked smoke stack  
Butting through the Channel in mad March days,  
With a cargo of Tyne coal,  
Road rails, pig-lead,  
Firewood, ironware and chip tin trays.*

It is self explanatory that in three ages of civilisation, three different social developments, three different types of cargoes were carrying different types of commodities. But there were trading of commodities no doubt. In India muslins were produced for market-both internal and external. That did not make the weavers capitalists.

Marx had pointed out that just commodity production does not mean capitalism. He said:

“In the ancient Asiatic and other modes of production, we find the conversion of products into commodities, and therefore conversion of men into producers of commodities, holds a subordinate place, which, however, increases in importance as the primitive communities approach nearer and nearer to their dissolution.” [Capital, Vol-I, p 83, Progress Publishers, Moscow, 1986].

Some may argue that they were talking about the same, the old order is approaching “nearer and nearer to their dissolution”. This is nothing but imaginary description of the objectivity. But we shall discuss the objectivity in the light of Marxism later. Here, we would like to bring to their attention what Marx did say before those words, and also after that.

“No matter, then, what we may think of the parts played by different classes in this society (European middle ages-author), the social relations between individuals in the performance of their labour appear at all events as their mutual personal relations, and are own not disguised under the shape of social relations between the products of labour”. “[Ibid, page 82]

Anybody having experience of rural India and the agricultural production process knows that almost all agricultural labourers are connected with landowners in “their own personal relations”. Even seasonal migratory agricultural labourers come to the same village and same landowner during sowing and harvesting year after year. Moreover, the prevalence of caste system in India plays an important role in social relations and individual performance of labour.

Let us also remember the following words of Marx:

“The life-process of society, which is based on the process of material production, does not strip off its mystical veil until it is treated as production by freely associated men, and is consciously regulated by them in accordance with a settled plan. This, however, demands for society a certain material ground-work or set of conditions of existence which in their turn are the spontaneous product of a long and painful process of development.” [Ibid, page -84 ]

Where are the ‘material ground-work’ or the ‘spontaneous product of a long and painful process of development’? The changes were enforced by the state not in the interest of the landowners or the labourers.

Then where do our CR friends faultier in their understanding? Commodity production might act as a factor for capitalistic production, a “most embryonic form” (Marx), but it does not imply that the mode of production is capitalistic. In mathematical parlance they do not have one to one correspondence. We shall discuss it later but before that let us discuss on another factor on which their arguments base upon. That is use of machinery.

### **USE OF MACHINERY**

To strengthen their argument, some of them say that commodity production along with introduction of machineries prove that capitalism has been established in agriculture. Strange method of argument, indeed! Capitalist production process do not introduce machinery, but machineries make the production process capitalist. A little later we shall see Marx’s opinion on machinery. But before that let us look at the phenomenon empirically with open eyes. It will be clear to find that this machineries are not used in capitalist manner,

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because they have not been introduced as spontaneous development, but have been introduced from above in the interest of foreign and internal big capital. A study by the Business Standard pegged "the usage of nonagricultural purposes has been growing over the years and is currently at almost 40%." (Business Standard, January 20, 2013)

A large number of tractors are used in sand mines, brick kilns, road making, ferrying passengers etc. In Yogi Raaj they are used to assist bulldozers to clear debris. Many of the municipalities use tractors to remove garbages.

It is also a well known fact that large, if not all, tractor owners rent their tractors out at hourly rental. They also hire out their tractor to carry passengers. However, former has some connection with agriculture but latter does have no connection. Renting machinery is in no way a capitalist activity unless a tractor renting firm is established. Same is true for pump-sets and harvesting machines. Even tractors are not driven by labourers in capitalist sense. Almost all drivers are appointed at a meagre wage, even as low as Rs 300 per month if the report about the success story of distressed boy in the Higher Secondary exams in Ananda Bazar patrika is to be believed.

Now let us pay heed to what Marx had written in his famous letter to P.V. Annenkov many years ago.

"Machinery is no more an economic category than the ox which draws the plough. The application of machinery in the present day is one of the relations of our present economic system, but the way in which machinery is utilised is totally distinct from the machinery itself. Powder is powder whether used to wound a man or to dress his wounds." [Marx, Letter to PV Annenkov, December 28, 1846, Selected Works, Marx and Engels, Progress publishers, Moscow 1986, Page 663]

Now let us find out what was distinctly different utilization of machinery according to Marx.

"Instrument of labour, when it takes the form of a machine, immediately becomes a competitor of the workman himself. THE SELF-EXPANSION OF CAPITAL by means of machinery is thenceforward directly proportional to the number of work people, whose means of livelihood have been destroyed by that machinery. The whole system of capitalist production is based on the fact that workman sells his labour-power as a commodity. Division of labour specializes this labour-power by reducing it to skill in handling a particular tool. So soon as handling tool becomes the work of a machine, then, with the use value, the exchange value too, of the workman's labour-power vanishes, the workman becomes unsaleable, like paper money thrown out of currency by legal enactment. The portion of the working-class, thus by machinery rendered superfluous, i.e., no longer immediately necessary for self-expansion of capital, either goes to the wall in the unequal contest of the old handicrafts and manufactures with machinery, or else floods all the more easily accessible branches of industry, SWAMPS THE LABOUR-MARKET, AND SINKS THE PRICE OF LABOUR POWER BELOW VALUE." [MARX, CAPITAL, VOL-I, Pages 405-406]

So it is not machinery itself, but whether it is used for "self-expansion of capital" or not. That is the main and basic feature of capitalism. Otherwise object of introduction of machinery will and, practically is being used to flood all the more easily accessible branches of industry, and swamp the labour-market, and to sink the price of labour-power below value. And this is what really is happening.

For self-expansion of capital in agriculture the question arises that whether the landowners are able, even if they intend to use the surplus as capital to reinvest in land or any other productive enterprise. In this context changes in concentration of land and tenancy are important.

### **CHANGES IN LAND CONCENTRATION, TENANCY AND RELATED FACTORS**

Here we will have to take help of some statistical data. We shall depend on the findings of Agricultural Census, 2010-11, published by the Ministry of Agriculture in 2012 and 59<sup>th</sup> Round of NSS. We shall look into the changes that has taken place over the last 40 years. Before that we put how the hold in pattern is differentiated.

Marginal	less than 1 hectare
Small	1.01 to 2 hectares
Semi-medium	2 to 4 hectares
Medium	4 to 10 hectares
Large	more than 10 hectares

**Table. I**

Year	Total		Average Size	Distribution of Holdings (%)				
	No.of Holdings 1000	Area (ha)		Marginal	Small	Semi-Medium	Medium	Large
1970-71	71,011	162,178	2.3	51.0	18.9	15.0	11.2	3.9
1980-81	88,883	163,787	1.8	56.9	18.1	14.0	9.1	2.4
1990-91	106,638	165,507	1.6	59.4	18.8	13.1	7.1	1.6
2000-01	119,931	159,435	1.3	62.9	18.9	11.7	5.5	1.0
2005-05	129,222	158,323	1.2	64.8	18.5	10.9	4.9	0.8
2010-11	137,757	159,181	1.2	67.0	17.9	10.0	4.3	0.7
Year	Distribution of Operational Area (%)							
	Marginal	Small	Semi-Medium	Medium	Large			
1970-71	9.0	11.9	18.5	29.7	30.9			
1980-81	12.0	14.1	21.2	29.6	23.0			
1990-91	15.0	17.4	23.2	27.0	17.3			
2000-01	18.7	20.2	24.0	24.0	13.2			
2005-05	20.2	20.9	23.9	23.1	11.8			
2010-11	22.2	22.1	23.6	21.2	10.9			

**Table II**

Year	1960-61	1970-71	1980-81	1991-92	2002-03
<b>Details</b>	<b>Percentage of Tenant Holdings in Total</b>				
Marginal	24.1	27.0	14.4	9.3	9.8
Small	25.1	27.8	17.9	14.9	10.7
Semi-Medium	23.6	24.8	15.9	12.2	10.3
Medium	20.5	20.0	14.5	13.1	7.8
Large	9.5	15.9	11.5	16.7	13.8
All	23.5	25.7	15.2	11.0	9.9
<b>Details</b>	<b>Percentage of Area under Tenant Holding</b>				
Marginal	16.6	18.9	9.7	8.7	8.6
Small	14.0	14.6	8.5	8.5	6.8
Semi-Medium	11.7	11.7	7.3	7.4	6.3
Medium	9.6	8.7	6.6	6.9	9.2
Large	8.3	5.9	5.3	11.4	6.1
All	10.7	10.6	7.2	8.3	6.5

It is found that percentage of marginal holders have increased over the years, from 51.0% to 67.0%, but percentage of large holders decreased from 3.9% to 0.7%. Operational area also increased for marginal peasants from 9.0% to 22.2%, for small farmers also it increased from 11.91% to 22.1%, in case of semi-medium 18.51% to 23.6%. But it is found that there is fall in case of medium and large farmers. For medium it dropped from 29.71% to 21.2% and for large farmers drop is 30.9% to 10.9%.

So, whatever impact on agricultural system has taken place in the name of reforms, has created sizeable growth of marginal farmers, who cannot be capitalist agriculturalists. On the other hand operational holding area percentage for medium and large farmers together decreased to a large extent 60.61% to 32.1%. This, too, is not advantageous for capitalist growth. But, surely, some might venture to develop agriculture in capitalist way.

That explains the trend in percentage of tenant holdings for marginal and large holders. Up to medium holders tenant holdings have decreased, while it increased for large holders. Even then area of tenant holding of large holders have dropped.

Taking all these under consideration it is clear that in India due to lack of operational holdings situation is not conducive for developing agriculture in capitalist way.

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This is what our comrades working in villages experience even without much of scientific survey. They find large holders as well as their area of operation has decreased to a large extent. Problem is from this many of them deduce that feudal landlordism has eroded and has given way to capitalism, without understanding the complexity of the concrete situation. The complexity arises due to the large scale penetration of imperialist big bourgeois capital in our agrarian process. Before going out to discuss and understand what actually is happening in the agrarian scenario we shall clarify certain wrong understandings which often make us obfuscated about the situation.

### **DIFFERENTIATION BETWEEN CAPITALIST ELEMENTS AND CAPITALIST AGRICULTURE**

There is no doubt that influx of capitalist elements like commodification of produce, use of machinery, reducing rate of areas and percentage of tenancy, even the increase in agricultural labour is obviously present. Yet except in a few cases (about them also we shall have to discuss) mode of production is not capitalist. Let us take them one after another.

If someone produces a commodity like, say, groundnut and sell it in the market and get some money, what do we generally find them to do. He at first keeps some money for family expenditure and for next year's expenditure for cultivation. Then planfully and judiciously spends the money over the years buying mobile phone, LED TV, motorbike, ornaments, A/C machine etc. If he have extra money he keeps it in bank to use for higher education of the children and so on. In a word commodity produced is exchange for some other commodity or commodities, not for expansion of capital.

Marx has explained it in detail as "The Metamorphosis of Commodities" in his Capital. Let us have a look at it.

"Let us now accompany the owner of some commodity-say, our old friend the weaver of linen-to the scene of action, the market. His 20 yards of linen has a definite price, £2. He exchanges it for £2, and like a man of the good old stamp that he is, he parts the £2 for a family Bible of the same price. The linen, which in his eyes a mere commodity, the depository of value, he alienates in exchange for gold, which is linen's value-form, and this form he again parts with for another commodity, the Bindle, which is destined to enter his as an object of utility and of edification to its inmates. The exchange becomes an accomplished fact by two metamorphoses of opposite yet supplementary character-conversion of commodity into money and the reconversion of money into a commodity. The two phases of the metamorphosis are both of them distinct transactions of the weave-selling, or exchange of money for a commodity for money; buying, or exchange of money for a commodity; and unity of the two acts, selling in order to buy.

"The result of the whole transaction, as regards the weaver, is this, that instead of being in possession of the linen he now has the Bible; instead of the original commodity he now possesses another of the same value but different utility." [Marx, Capital, Vol-I, page 107]

Some may argue that the person may buy some means of production in exchange of his groundnuts. Marx had the reply ready :

"In like manner he procures his other means of subsistence and means of production. From his point of view, the whole process effectuates nothing more than the exchange of the product of his labour for the product of someone else's, nothing more than an exchange of products." [Marx, Capital, Vol-I, page 107]

Even then arguments may come that here the seller of the commodity is producer himself, but we are talking about owner of land. But, except a very small exceptional amount of landowners, the commodity is only utilised for exchange of other commodities, even in cases of means of production.

Commodity production, though a capitalist element, as such do not represent capitalist production.

From this arise the use of machinery. Capitalist commodity production means use of surplus generated be utilised for expansion of capital. But in Indian scenario even if landowner tries to turn into a capitalist landlord by introducing machinery using the surplus he falls into puzzling situation. To use the machinery he will have to expand his land as well as to exploit more labour, but that is not possible. So his machinery can no more be used fully to exploit further surplus, but used as wealth which can be rented out for getting further money.

Rather in the villages appeared a class whose business is selling agricultural inputs like seeds, fertilizers, pesticides etc, as well as renting pumpsets, tractors, harvesters and buying agricultural produce. A really efficient mechanism to serve as conduits for imperialist big capital.

But one more vexing question comes up, the increase in number of agricultural labourer. Two important observations can be made from this table.

**Table III**

Year	1951	1961	1971	1981	1991	2001	2011
Total Population (Crores)	36.11	43.92	54.82	68.33	84.34	102.87	121.06
Peasants (Crores) (% Total Agrarian Population)	6.99 (71.9)	9.96 (75.9)	7.82 (62.2)	9.25 (62.5)	11.07 (59.7)	12.73 (54.4)	11.87 (45.1)
Agricultural Labour (Crores) (% Total Agrarian Population)	2.73 (28)	3.15 (24)	4.75 (37.7)	5.55 (37.5)	7.46 (40.2)	10.68 (45.6)	14.43 (54.8)
Employed in Agriculture (Crores)	9.72	13.11	12.57	14.80	18.53	23.41	26.30
Ratio of Person Employed in Agrarian Total Population	26.90	29.80	22.90	21.60	21.90	22.70	21.70

**Source :** Population Census, 2011, Govt. Of India.

First, the percentage of peasants has gone down with some fluctuations. Although the number of them nearly doubled from 6.99 crores in 1951 to 11.87 crores in 2011, percentage of them in total agrarian population has come down from 71.9% to 45.1% in the same period. This means a shift to occupations other than agriculture like industries, service jobs and lowly paid jobs in towns and cities.

Secondly, number of agricultural labourers is reported to be increasing percentage of total agrarian population and real population in crop them also increased at a ratio little more than total population increase. Then it can be ascertained that although the percentage of agricultural labourers to total agrarian population has increased, it cannot be directly linked to the capitalist process in agriculture. It can also be observed that the time span when capitalist elements were intruding agrarian process in a large scale i.e., period between 1971 to 1991 ratio increased in a lesser scale. In the next two decades the increase was in a greater scale. That can be explained as the addition of two factors at time. One is, and that is the main reason, that the pauperized poor peasants turning into agricultural labourers. Then comes the reason that the population of the youth of the land poor and landless peasant families increase with time so the agrarian labour force also increase; moreover lack of opportunity to be employed the youth from dalit and muslim families increase the number of agrarian labourers. Added with it is the introduction of machineries like tractors, harvesters causes lack of employment opportunities. A lop-sided development for sure! Moreover the agrarian labourers are not acting as capitalist workers. In most cases they are seasonally employed with wages far below subsistence.

### **WHAT ACTUALLY IS HAPPENING ?**

To understand it we will have a glimpse at history from the time of British rule in as brief manner as possible.

Initially, the British colonialists as in other colonies treated India as cheap source of raw materials and cheap labour. They also used certain countries like India as markets of their finished goods. In particular case of India, the colonial rulers found that her caste-based society could be easily ruled if the very powerful section of the upper castes sources of assets could be brought closer to the British Raj. They also planfully drove a wedge between the two great religious communities in India. As a part of their policy of rule they developed a new type of feudal lords through Permanent Settlement, Ryotwari and Mahalwari systems. Marx described this as follows :

“In Bengal they carried a caricature of large English landed estates; in south-eastern India a caricature of small parceled properties; in the north-west they did all they could to transform the Indian economic community with common ownership of the soil into a caricature of itself.” [Capital, Vol-III, Page 334, footnote]

British raised huge dividend from this arrangement both economically and politically.

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It helped them to amass huge revenue as well as get hold of cheap sources of raw material and cheap sources of labour as well. Politically the upper caste landlords sided with the British to suppress any opposition to British rule, let alone rebellions, by the lower rung oppressed masses. For example, the Permanent Settlement landlord, a zamindar of Hetampur, Birbhum was conferred the title of Rajah for raising an armed force to crush the Santal Rebellion in his area. More important was that most of those soldiers were chhetries (lower rung Kshatriyas) from Bihar, who were awarded with land at the border of his estates (presently Jharkhand). It is interesting that upper caste intellectuals remained silent about the Santal Rebellion, and were opposed to India's First War of Independence (known as Sepoy Mutiny). The revolt against Indigo plantation was essentially a revolt in between the intermediaries and peasants. Zamindars remained passive.

These plunders helped the British to develop capitalism in England to the stage of imperialism. The more development to the imperialist phase the more was the need to export of finished goods as well as export of finance capital. In this situation they took to steps at a time. Firstly, they started directly investing capital in India, earlier their investments were mostly as Trading Agencies. Secondly, the Indian commercial traders who were hand in glove with the colonial rulers to expand their trade, were allowed to invest in industries. British helped them not only with funds from the banks but also with technical knowhow and selling obsolete industries. For example Tatas were agents of British in trading opium to China, they started textile industry in Bombay (Mumbai). Same is true for all stories of so called rags to riches story of big capital of India pre 1947 and post 1947. This is the genesis of big capital who had been, and still are comprador by nature.

The feudal character of society did not only help imperialism to gain control over raw materials and cheap labour, but also helped driving wedges between different castes and communities to carry on the imperialist policy of divide and rule. It also destroyed indigenous development of capital and development of independent knowledge. Thus Indian feudalism, a creation of the British, developed into the mainstay of imperialism to put Indian society economically, politically and culturally under the jack boot of imperialism.

With passage of time rural masses started revolting against feudalism and imperialists always came in aid of feudals. After World War I, especially during 1930s British felt the need of certain basic industries though under the supervision of imperialist to be developed in India. Feudal bondage was an impediment. As a result certain reforms of feudalism became necessary for imperialism. Flood Commission report advised some changes in zamindari system. But before it could be enacted, after the World War II, imperialism had to change its policy. Thus after 15 August 1947 imperialism in India changed its form of rule, instead of direct colonial rule they opted for neo-colonial method of indirect rule. Taking advantage of the situation some other imperialist powers like USA started contending for share of booty. That was a time of momentous peasant movements. Peasants of Punnapra-Vayalar were sacrificing their lives fighting feudalism, the heroes of Kayyur were boldly facing the gallows, in the east Tebhaga movement was causing fear among the landlords, above all the Great Telangana peasant armed struggle shook the foundation of the rulers. So after 1947 the foremost task of the rulers was to suppress the peasant struggles. But in order to continue their rule abolition of Zamindari system was enacted.

Imperialism as moribund capitalism faced crisis one after another. Before the 1960s Zamindari abolition and Ceiling laws were enacted to carry out a policy of 'erosion and retention'. But imperialists now needed a change in policy in the agrarian sector to overcome its crisis. So far they used the agrarian sector as cheap source of raw material and labour. But the development of petrochemical industry they faced a crisis of over production in agri-business, needed market for their fertilisers, pesticides, pumpsets, high yielding variety (HYV) seeds etc. In order to create that market they started with some pilot projects like Intensive Area Development Project (IADP) in certain areas like Bardhaman district in West Bengal, Godavari and Krishna delta in Andhra Pradesh, Kaveri basin in Tamil Nadu etc. But landowners having feudal character were not much interested in increasing yield. There was a crop failure in 1965 and 1966. The government needed higher yield of crop. So the policy followed was another spate of ceiling laws and enactment of bargadari rights. This was another policy of erosion and retention by imperialist hucksters, weakening feudalism while perpetuating it. The landlord will get a substantial share of the produce without any labour or expenditure; on the other hand the bargadar could not be evicted at will, but have to hand over a part of the produce to the landlord. In such a situation the bargadars and small peasants would try to increase the yield by using HYV

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seeds, fertilisers, pesticides and irrigation water. At the beginning seeds, fertilisers and pesticides were distributed as mini-kit. Later bank loans were extended to buy them and pumpsets and now even tractors with the land as collateral. Strange, this is described as positive step of land reform. Essentially this spread markets of pumpsets, fertilisers, pesticides in the agrarian sector at the interest of imperialists and big capital.

In the beginning it created some rise in employment in rural areas, since with pumpsets double cropping area was extended. But with the introduction of power tillers, tractors, harvesting machines large amount of agricultural labourers were unemployed swamping the labour market and sinking the price of labour-power below for exchange value. This happened without much change in production relations. These surplus labourers turned to become migrant labourers moving crises-cross all over the country. The extent of it became glaringly obvious during the Modi lockdown.

The imperialist policy is to perpetuate feudalism such that it cannot utilise land as capital. Through ceilings it has been assured to a large extent. But it will be silly to say that no change has taken place. Large scale squeezing out the agricultural surplus has been assured by introduction of HYV, fertilisers, pesticides, pumpsets, tractors etc. Moreover, when the landowner is not capable of expanding its agriculture in a capitalist manner, he goes to the market for exchange. Finding no concrete means to expand his capital he invests some in unproductive sectors like buying tractor to hire out, opening a shop or the like. Some amount of money is invested in banks or other plans. Such investments made failing to expand capital can be called trading or interest bearing capital, which in a way in the era of imperialism serves imperialist capital by spreading market of its goods or raising bank funds to help imperialist and big bourgeoisie to expand their capital base through bank loans or selling shares through banks.

Before concluding on whether Indian agriculture is capitalist or not, let us keep in mind the words of Marx:

“The increment or excess advanced over the original value, I call ‘surplus value’. The value originally advanced, therefore, not only remains intact while in circulation, but adds itself a surplus value or expands itself. It is this movement that converts it into capital.” [Capital, Vol-I, p 149]

This is what Marx meant by ‘self-expansion of capital’. This is forest with trees grown in concrete manner, not just collection of trees in a garden.

### **Conclusion**

Then how should we characterise Indian agriculture?

Firstly, only the knave will say that no change has taken place in Indian agriculture since 1960s. The picture in rural India is no more as simple as feudal landlordism fleecing peasants through coercive methods. The process of erosion and retention enacted through ceiling laws and other steps has changed the scenario to a large extent. Landowners cannot grab all the surplus for themselves. At the same time many capitalist elements have been infused in our agrarian system. This causes draining of large amount of surplus to the imperialists and big capital.

Thus in the agrarian sector surplus generated is exploited by a combination of imperialist-big capital-landowner combine. The owners of land are not always, rather more than often, owner of agricultural machineries like pumpsets, tractors, harvesters etc. They are generally rented by the owner of land from the owner of those implements. So while renting in a part of surplus goes out and in case renting out a part of surplus comes in. While characterizing Indian agriculture these basic things should be kept into mind.

Secondly, agricultural produce are marketed in exchange of money. That money, in general is not used to expand capital, but to buy goods in exchange. We have already explained why even if a part of the money is spend to buy some means of production is different from self expansion of capital. Some money may be deposited in bank or some other financial plan to get some interest. This interest bearing capital is completely different from capitalist investment. Rather the money in bank or other financial plan is used by imperialist and big capital to promote their capital. This way essentially the agricultural surplus is plundered by them.

Thirdly, attempt to control the production and marketing of agricultural produce by imperialist and big capital has been growing already. Large areas are handed over by state governments to the big capital for contract farming of crops of choice of respective big capital like Pepsi. They are acting like Indigo planters.



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They provide certain inputs and take away all the produce, without affecting the production process. The capitalists are the main, but indirect, exploiters of surplus, but to gain from such deals landowners try to squeeze the labourers to the last extent. This process of production based on extra economic coercion and where the owner of land have no possibility of self expansion cannot be characterised as capitalistic mode, rather here the feudal mode is utilised in full by big capital like the colonialists.

Fourthly, here and there, definitely some landowners try to introduce capitalist agriculture trying to develop farming with leasing in land and using machineries with capitalist bookkeeping etc. But often they face with some problems from the powers that be. They find that they cannot sell their produce at their free will, and the price is regulated against their interest, exorbitant price of electricity and fuel etc. The big capitalist hucksters in alliance with state machinery force them to sell their produce to the big capitalists at prices fixed by them. Thus the market price of the produce are lowered not for these agricultural capitalists but also for rich, middle and poor peasants. So the demand for mandi system and minimum support price (MSP) develops to resist the clutch of imperialist and big capital in agriculture. Thus a struggle develops between the conspiratorial method to keep the agricultural capitalists into captivity and attempt to get out of captivity.

So, it is clear that without paying attention to the “self expansion of capital” using surplus value as the defining characteristic of capitalistic production, any attempt to define the mode of production as capitalistic is a mistake and non-Marxist. Effort to put certain symptoms like commodification, use of machinery, increase in number of agricultural labourers which are being used by imperialists and their cohorts to squeeze out a part of surplus from agriculture as proofs of capitalism is mistake. Such mistakes if pursued seriously on the part of revolutionaries will lead them to tragedy of mistaking trees as wood/forest like the well known Shakespearian character Macbeth seeing Birnam wood moving while Macdoff's forces were using the twigs of trees of that forest as camouflage.

Then how should we characterise present agrarian situation ?

It is clear that feudal landlordism has got substantially weakened, and to survive they have to align with imperialist and bureaucratic big capital. This is a two way process where each need the other. So far we have been calling it semi-feudalism in the sense feudalism aligned with imperialism in the era of imperialism. Even now we can call it semi-feudalism in sense that this pre-capitalist formation along with feudal societal relations and feudal particularism though different from feudalism proper is still mainstay of imperialism and its cohorts in rural agrarian sector. It is through them imperialist and big capital extract a part of agricultural surplus as well as utilising them as conduits of their market. But semi feudalism cannot be a mode of production neither can pre capitalist formation, so we may call it FEUDAL MODE OF PRODUCTION IN A PARTICULAR PERIOD WHEN FEUDALISM AND IMPERIALIST BIG CAPITAL COMBINED TO CARRY ON EXTRACTING SURPLUS JOINTLY.

This also is in line with our idea of principal contradiction as well as recent experience of peasant struggle. The struggles, whether for land or for rights of forest, are directed against the combine. Even where peasants fight against eviction of so-called development, the feudal section sides in general with the enemy. In this situation the call for agrarian revolution should add : do away with all imperialist big capital bondage in agriculture along with confiscation of land and agricultural machinery to distribute among peasants. ❖