The question and its background

In the communist movement of India, the status of class relation in Indian agriculture has always been a subject of debate. The main point of the debate centers around whether the major relation existing in agriculture is capitalistic or feudal. People try to emphasize certain features of capitalist relations like investment of surplus, production for market, existence of agricultural labors and wage-capital relation etc.

Why is this debate at all? This debate has no meaning for the mainstream economy (also called neo-classical economy) which sees the classification among the countries in term of developed and underdeveloped countries as if the underdeveloped countries has less capital, less technology and less efficient human resource. It does not see the society to have certain relation among people which may be class relation and which has evolved historically. It pictures the society to consist of individuals which may be owner of various factors of production like capital or land or labour. With their factors they enter in the market and try to maximize their utility. Through the market competition an equilibrium is reached where the factors of production are optimally utilized for the society. So according to this ideology market force should be given full liberty and there should not be any interference with the market by the state. If there is stringent labour laws, restriction on capital investment, capital will not flow and development will be curbed. So it is no surprise that the main stream economists would suggest the underdeveloped countries to import technology and invite capital from developed countries for their own development.

The debate is due to fundamental discovery of Marx. Marx for the first time discovered that production of necessities are the most fundamental activity of human society. At the same time, production does not take place in abstract but happens in the context of definite human relations which is called production relation. This production relation is the base of a society upon which rest all the other human activity like culture, politics, state, arts etc. This production relation is a dynamic system rather than a static one. This production relation is not something static but it has a dynamism which is dependent on development of productive force (capacity of members of a society). It is the development of productive force (at least up to the level where one can produce surplus above one's own subsistence) once broke the ancient communist society and established slave society based on class exploitation. The slave society also disintegrated at a certain stage of development of productive force giving rise to feudal society. It is the feudal society where apart from the feudal exploitation of surplus, the commodity production (production for exchange) gradually becomes a significant phenomena. Commodity production and commerce has certain features which gives rise to a new kind of production relation in the feudal society itself. This new kind of production relation is nothing but the much discussed capitalist relation of production which is the latest class relation that emerged in human society.

The emergence of capitalist relation in the feudal society and ultimate establishment of capitalist society on the ruin of feudal structure is a universal law of development of society if not fettered by some external force. This transition from feudalism to capitalism covers the history of Europe from 15th century to 18th century. The most important feature of this transition is the capture of political power by the capitalist class from feudal class by organizing other working people including peasants. After the power capture, there occurred a homogeneous development of productive force for a certain period.

As we told that in every feudal society, capitalists relation grows depending on the growth of commodity production, the same also happened in Indian region. Specially the commodity production and export business were much developed in this region. There were seed of capitalist production in certain regions. But this process was hindered by its transformation into a colony by British. Though at that time, British had not achieved all round capitalist development, they used to represent a developed relation of production in its embryonic form. They were a part of a nation not to be assimilated with local people as happened for other invaders in the past. They belonged to a nation and a country and their aim was to develop their home country by sending surplus from this region. This surplus accumulation could ignite the fire of industrial revolution in 1769 in their home country which made British the most powerful capitalist country in the world.

Besides, while destroying the indigenous industries (the most important being the destruction of cotton industries in Bengal, Surat and Madras), did not adopt a process to abolish feudalism with its particular structure of caste system prevalent in the Indian region. Rather in some region they created a more ferocious feudal class by replacing the old one and their policy of rent collection in terms of money created a money lending class which appeared a ruthless exploiter in the village itself. British created another trading class whose interests were subordinate to interest of British capital. They used to collect cheap raw materials from the distant corners of the country for supplying them to British and sell commodities produced in British industry at high price. In this way the value created by working people in this region was transferred to British and hence accumulation of capital in Britain or it remains semi-feudal. People try to emphasize certain features of capitalist relations like investment of surplus, production for market, existence of agricultural labors and wage-capital relation etc.

For instance, in this region 1) British rulers followed the feudal relation and modified it to serve their interest,
2) abolished the indigenous trade and industries to the extreme,
3) encouraged a trading class associated with the interest of British capital,
4) obstructed the process of capital accumulation by choking the surplus.

Only when the ever increasing accumulation in the developed countries including British gave rise to monopoly in place of free competition, there has been some new development by the pressure of surplus value in the developed countries. Surplus capital which is not find profitable investment in its own country. From that time, there was a tendency of exporting capital to backward countries and in this new atmosphere there appeared some industries in India by Indian capitalist in collaboration with British capital.

But this capitalist class was not small commodity producer in earlier time (as happened in Europe). Small commodity producers have been marginalized by the British. They came from the same traders who used to serve British interest. The mere transformation of some traders into capitalist did not give rise to any capitalist revolution with the aim of throwing feudalism and colonial power. Rather in the main British used to pamper this capitalist class and this class was correlated in thousands way with feudal relation.

Keeping in mind this path of development in India we shall discuss over the basic economic structure that is prevalent in Indian agriculture.

Some Marxist proposition regarding capitalist development in agriculture

No doubt, a growth in “consumption” and “distribution” (i.e. growth in the market size) is an indication of the growth of capitalist relations in production but the important question is what is its impact on production relations, and, even with this growth of commodity production which of the two modes of production (i.e., capitalist and feudal) is predominant in Indian agriculture? This can only be done by taking an overall picture of production relations and not merely by picturing the growth in “consumption” and “distribution”. Lenin has said, “that the economists who have discovered at length the excessive attention paid by the classical economists to ‘distribution’ and ‘consumption’ have not been able to give the slightest explanation of the most fundamental problems of ‘distribution’ and ‘consumption’. That is understandable, for one cannot even discuss ‘consumption’ unless one understands the problem of the reproduction of the total social capital and of the replacement of the various parts of the social product... It is not with ‘production’ (that political economy deals, but with the social relations of men in production, with the social system of production. Once these social relations have been analysed, the place in production of every class, and consequently, the share they get of the national consumption is thereby defined.” (Development of Capitalism in Russia, Lenin) Capitalism does not merely entail commodity production. As Lenin has said, “Capitalism is commodity production at its highest stage of development, when labour power itself becomes a commodity.” (Imperialism: the Highest Stage of Capitalism, Lenin) Besides, when the CRC, Communist League, etc., speak of increasing “consumption” and “distribution” they forget Marx’s basic theory of realization which states that, “According to the general law of capitalist production, constant capital grows faster than variable capital”, and that “Capitalist production, and, consequently, the home market, grow not so much on account of articles of consumption as on account of the means of production. In other words, the increase in means of production overshrips the increase in articles of consumption.” (Development of Capitalism in Russia, Lenin) In other words, while dealing with the growth of commodity production and capitalist relations in India, there is a need to picture the nature of the growth - in which spheres is it confined to, and to what extent it is confined to consumer items and to what extent capital items. Is the sphere of productive consumption that is increasing in agriculture, the sphere of consumer expenditure that has increased?

While analysing the mode of production in Indian agriculture it is necessary to do so based on the laws of capitalist production as discovered by Marx and further developed by Lenin. These scientific laws of capitalism and imperialism are not time bound. They neither get out-dated nor change from country to country. The conditions may change in time and space but the basic laws of capitalism and imperialism remain unchanged. To understand the
Indian agriculture

mode of production in India it is no use neglecting these laws, as the same
Naturalistic groups do, but utilise them to understand the mode of production in India.

Regarding the question of capitalism in agriculture, an important
principle outlined by Lenin was that, “it is the development of capitalism in the
manufacturing industry that is the main force which gave rise to and
developed, capitalisation in agriculture.”

Also, while talking of the transformation of pre-capitalist forms of production
to capitalism, Lenin has said that:

“the social relation of labour by capitalism is manifested in the following
process:

Firstly, the very growth of commodity production destroys the scattered
condition of small economic units that is characteristic of natural economy,
and shores together the small local markets into an enormous national (and
then world) market. Production of oneself is transferred into production for
the whole of society; and the greater the development of capitalism, the
stronger becomes the contradiction between this collective character of
production and individual character of appropriation.

Secondly, the large-scale, market-oriented production is followed by an
aggregated division of labour both in agriculture and in industry.

Thirdly, capitalism eliminates the forms of personal dependence that
continue to coexist with the individualism of small isolated economic units.

Fourthly, capitalism necessarily creates mobility of the population,
something not required by previous systems of social economy and incapable
under them on anything like a large scale.

Fifthly, capitalism considerably reduces the proportion of the population
engaged in agriculture and increases the number of large industrial centres.

Sixthly, capitalist society increases the population’s need for
association, for organisation, and leads organisations a character
different from those of former times. While breaking down the narrow local
social-economic associations of medieval society and creating fierce
competition, capitalism at the same time splits the whole society into large
groups of persons occupying different positions in production and gives
a tremendous impulse to organisation within each such group.

Seventeenth, all the above mentioned changes are manifested in the old economic
system by capitalism inevitable lead also to a change in the mentality of
the population: the sympathetic character of economic development; the rapid
transformation of the method of production and the enormous concentration
of production, the disappearance of all forms of personal dependence and
patriarchal relations in marriages; the mobility of population, the influence
of the big industrial centres, etc. All this cannot but lead to profound change in
the very character of the bourgeoisie.”

(Deployment of Capitalism in Russia, by VI Lenin)

With this brief introduction on the approach to the problem, let us now turn to the study of production in Indian agriculture.

While studying the relations of production in Indian agriculture we will examine them under three heads:

1) Growth of Commodity Production,
2) Differentiation of the peasantry,
3) Change in social relations.

A. GROWTH OF COMMODITY PRODUCTION

The growth of commodity production in agriculture can be assessed by
the extent of utilisation of inputs and the growth of outputs produced for
the market. The ‘green revolution’, which was introduced by the World Bank in
Third World countries in the mid-1960s, was part of the industrialist policy
to penetrate the countryside for markets. This ‘green revolution’ has led to
certain changes in agriculture which must be analysed. This section will be
considered under the following sub-heads:

1) Green Revolution,
2) Illicit and Productivity Trends,
3) Utilisation of Surpluses.

1) Green Revolution

The Green Revolution in India was a imperialist dictated reform introduced in
the middle of India as a part of a broad and long period of capitalist
democratic struggle was becoming intense in the country side of India and elsewhere. This reform was
based not on any basic changes of class structure and land relations in the
continental form and that the intensification of credit and purchased inputs like
chemical fertilizers and pesticides and finally high yielding seed. It was based
not on self-reliance, but on dependence on imported agricultural inputs from
imperialist monopoly capital of United States. It was based not on diversity
but on uniformity, and just ended with from America to shift India’s
agricultural research and agricultural policy from an indigenous and
global model to an exogenous, and high input one, finding, of course,
partners in sections of the elite, because the new model suited their political
purposes and interests. There were three groups of international agencies
involved in transferring the Green revolution model of agriculture to India
- the private American Foundations, the American government and the World
Bank. Due to introduction of this model there has been some significant increase in
agricultural growth in some parts of Punjab and Haryana, specially
in wheat production. A section of rich peasants arose along with a section of
agricultural labourer (mainly seasonal) in the background of over all (semi)
feudal mode of production. At the same time, due to heavy use of tractor, large
scale irrigation, and costly inputs, a large section of share-croppers and small
farmers were marginalized in this process and they did not find any
employment in industry which could happen in earlier capitalist development in
west. So somehow they remained dependent on agriculture giving them
scope to retention of semi feudal relation. From then on the main permanent
feature of this development has been increasing dependence on imports from
imperialist countries. And this feature slowly spreads to some other part of the
country but the development of capitalist relation did not go deep. Rather land
still remain the principal means of production (feature of semi feudalism).

This truth would be verified by various factors in the following:

2) Illicit

Though irrigation may have increased, out of the 350 million acres of
net cropped area, barely 50 million acres, or 14%, is cultivated more than
once a year (VI Five Year Plan figures). If one crops takes on an average four
months, 86% of India’s agricultural land remains idle for 66% of the time
per year. In pit it differently, nearly 69% of the cropped area is not at all used.
If agriculture was to be put on a capitalist footing, capitalist farming was to
predominate in India, there would not be such a gigantic wastage of land
utilisation and such a slow growth of irrigation facilities. But besides the
modernisation, the number of small scale agriculture does not increase
269 to 43.4 million acres in 1966 and further to 44.5 million (i.e. during the green
revolution period) in 1972.

3. Credit

It has been found that till 1978 as much as 71% of the population
depended on non-institutional credit - on money-lenders, traders, etc.
It is clear that the strangulation of usurious credit still dominates all
sections of the rural populace. But usury is in an indication of pre-capitalist,
feudal relations of production, which sucks up the surplus and prevents it
from seeking productive channels. Besides, this usurious capital is increasing
day by day. Marx has said that:

“Usury enters the characteristic form of interest: bearing capital corresponds to the predominance of small scale
production of the self-employed peasant and small margin peasant and small mar

4. Output and Productivity trends

In fact, the annual rate of growth of production of all agricultural crops actually dropped in the second period,
while it was 3.2% in the 1951-52 to 1964-65 period, it was just 2.6% in the
1964-65 to 1983-84 period. This was because the increase in area under crops
increased phenomenally in the first period at an annual rate of 1.7% whereas
in the second period the annual increase was just 0.4%. In other words, much
better results in agricultural production could have been achieved by
increasing the area under cropping by introducing HYV. This agronomical
and scientific research foundation has estimated that soil erosion and
deforestation has been so acute that India looses about 1% of its cultivable
land every year to deserts. It is said that out of a total of 306 million hectares of
cultivable land, 145 million hectares are either threatened with erosion or
badly in need of soil and water conservation measures. Generally, it can be
summed up that production and yield of cropping has increased, with small
increase towards cash crops, indicating some growth in capitalist relations.
This is indicated through the change in some pockets of agriculture to
capitalist farming and growth in commodity relations in large tracts of semi-
feudal production, which continue their semi-feudal existence with enhanced
contradictions caused by this increasing growth of commodity relations within
it. Productivity trends continue to indicate a backward mode of production
with large farms being the least productive. Also with the increase in value of
output being nowhere commensurate with the increase in value of inputs, it is
clear that the growth in commodity production is léap-sided, with this growth,
merely facilitating the dumping of commodities of the imperialists and
commodore bourgeoisie into the rural sector without significant returns to
the farmer. This has led to a new set of contradictions in agriculture which are
bound to intensify.

5) Utilisation of Surplus

Thus, in fact, one of the factors in the determination of capitalist growth as a fundamental law of capitalism is that

cont. to page 13
Indian Agriculture

Summary

From the entire section on the growth of commodity production it will be seen that this growth is definite whether in the sphere of inputs, outputs, credit utilisation of surplus - all sections have to some extent been affected, thereby having an impact on the production relations in the rural economy. But the question is to what extent has it been able to change the relations of production in agriculture to capitalism? To get a comprehensive answer to this question it is necessary to analyse the differentiation of the peasantry and all its related aspects. Meanwhile, it must be remembered that even if the small landowners outside the market range still produce for the market, as the proportion of market production has increased, this has led to an increase in the marketable surplus. The bulk, over 65%, is consumed by the peasantry without ever reaching the market. This proportion of marketed grains has not changed perceptibly over the last decade.

B. Differentiation of the Peasantry

The differentiation of the peasantry means the break-up of the rural populace into a rural bourgeoisie and a rural proletariat. Lenin has said that for Russia, "the mean lives of its development and outcome are objectively possible - either the old landlord economy, bound as it is by thousands of serfdom, is retained and turns slowly into purely capitalist 'feudal' economy. The basis of the final transition from labour service to capitalism is the intensification of landlord economy. The intensification of the agricultural system of the state becomes capitalist and for a long time remains feudalistic features. Or the old landlord economy is broken up by revolution, which destroys all the reliefs of serfdom, and large land ownership in the first place."

The bulk of the surplus value is extracted from the instruments of production - i.e., from the services of labourers. Labour power is purchased by the rich capitalist, and not by the small landowners. This purchase of labour power, under capitalism, is the basis for the capitalist's ability to exploit the surplus value.

1) Rural-Urban Divide
2) Agricultural Labour vs. Kulaq
3) Land Holding and Reforms
4) Household Industry
5) Home Market

1. Rural-Urban Divide

Lenin has said that, "the development of commodity economy means the development of an ever-growing part of the population from agriculture, i.e., the growth of the industrial population at the expense of the agricultural population." In explaining the entire process, Marx clarifies, "it is in the nature of capitalist production to continually reduce the agricultural population in comparison to the non-agricultural, because in industry the increase of constant capital in relation to variable capital goes hand in hand with an absolute increase, though relative decrease, in variable capital, on the other hand in agriculture the variable capital required for the exploitation of certain plot of land decreases absolutely; it can thus only increase to the extent that new land is taken into cultivation, but this again requires as a prerequisite a still great growth of the non-agricultural population."

2. Agricultural Labourers vs rural bourgeoisie

Also, the productivity of farm workers in India, on the average, is very low and the instruments of production link developed. And very often the labourer is not decorated form the instruments of production as he has to use his own implement while working on someone else's farm. One important aspect of capitalism is that wage power must be divorced from the institutions of production.

So though a greater number of the peasantry may be disposed from the means of production and land and though wage labour may have increased with the 'green revolution', the bulk of the labour does not take on the form of regular vice wage labour. So the clear differentiation of a rural proletariat and a rural bourgeoisie is yet to coalesce, except in few pockets. The result will be a greater amount of labour turning into a commodity coupled with firther impoverishment of the peasantry. Yet this sale of labour power will not take the form of simple commodity production rather than capitalist production. For, say, a middle peasant is unable to carry out his farming operations with family labour and so hires three or four workers during the season.

Yet, if the bulk of the produce his family consumes, his exploitation of wage labour gives him no surplus value and so takes the form of simple commodity production even if his produce is a cash crop - say cotton. Much of the labour power sold in the Indian countryside takes this form; and though because of it commodity production expands, the home market grows and there is some change in agrarian relations, but fundamentally it takes the form of simple commodity production with a growth of small-scale farming without generating capitalism or a rural bourgeoisie. Also, it will be observed that labour-service in the form of share cropping and family cooperation co-exist and continue together with the emerging wage-labour system in Indian agriculture.

As regards the extent of growth of the rural bourgeoisie (Kulaq) only a general picture can be got from the extent of capital formation in agriculture and the extent of the absorption of the means of production in agriculture. These various estimations are given in other sections. The particular extent of its existence can only be ascertained by specific area studies. The following are some general guidelines to assess whether a farmer comes within the category of rural bourgeoisie or continues as a rich peasant-landlord.

a) The bulk of the surplus must be extracted by the exploitation of labour power. He must employ more wage labour than the labour of his family.

b) The major part of the surplus value generated must be utilised in developing the means of production (machinery) and not in inury, trading, purchase of land, etc.

b) Labour power used must be free wage labour and the labourer should be divorced from the instruments of production - i.e., the implements for working should not be brought by the labourer, but instead provided by the owner of the farm. Payment should be in cash and not in kind.

c) The capitalist farmer must not give his land on rent, on the contrary, he may lease in land.

d) The capitalist farmer must produce for sale. So that bulk of his produce must be sold in the market and not consumed by him and his family.

e) The capitalist farmer should produce for profit - i.e., he must accumulate capital continuously. He must plan his production in such a manner that it enhances profit through agricultural operations.

By taking these six criteria into account we can roughly estimate the class character of the farmer - whether he belongs to the category of rural bourgeoisie or rich peasant-landlord class. Studies may show that a large number of such farmers may be found more to be in a transitional stage not having fully coalesced into a rural bourgeoisie and thereby meeting one of the above mentioned six criteria.

3) Land Holdings - land reforms

A full ten years after the so-called 'green revolution' the state of operational holdings in the country remained basically the same. Firstly, there occurred extensive parcellisation of the land where 10.7% of the cultivable land of 17 million hectares) is distributed amongst 44.5 million holdings (families) of under one hectare each. Besides, this fragmentation is continuing with the average size of holdings having dropped from 2.25 to 0.2 hectares between 1971-72. But this is not all very rare is that a peasant has his entire plot in one contiguous area. In fact, the bulk of the plots are further fragmented, with each plot being divided into a number of small parcels which can vary from anything from 2 to 10 parcels of land per plot.

The estimated minimum number of agricultural plots in India, thus, was in the region of 25.5 million in 1951 which increased to 355 million in 1971-72. This is, a 67% increase. This greater parcellisation can be further ascertained from the fact that a holding in the size group of 2.5-5.5 acres, on the average, has 6.3 fragments with an average area of 0.57 acres each. The average area of fragments in the lower size groups was even less than that of the 2.5-5.5 acres group.

This enormous fragmentation of land is an indication of a most backward mode of production and retards the growth of capitalist relations. Marx has said that, "small land property presupposes that the overwhelming majority of the population is rural, and that not social but colored labour predominates; and that, therefore, under such conditions wealth and development of reproduction, both of its material and spiritual aspect, are out of question, and thereby also the pre-requisites for rational cultivation." Marx adds that, "propriety of land parcels by its very nature excludes the development of social productive forces of labour.
Indian Agriculture

Social forms of labour, social concentration of capital, large-scale cattle raising and the progressive application of science

So the concentration and fragmentation of land is continuing apace, and if, within it, a certain amount of commodity production has been introduced with the help of HYV, cooperative loans, etc., it can lead to only simple commodity production and not capitalist relations of production.

Thus it will be seen that the main trend in agricultural land holding is continuing concentration of land in the hands of a few coupled with extensive small-scale farming. In between lie a class of rich peasantry (15-25 acres) who comprise 34% of the households and own 18.2% of land whose number has remained virtually static over the years. It is this section that has, of late, been more vocal as a result of 'green revolution'.

This exposes the glaring existence of labour service in Indian agriculture. The continuing prevalence of tenancy, share-cropping, etc., is a further indication of the perversion of feudal mode of production.

The estimates of cash rent and rent-in-kind may not be too accurate and estimates vary from study to study. Other estimates put the rent-in-kind around 25%. But, one important point is that the cost of the rent, whether in cash or kind, takes the form of pre-capitalist rent and not capitalist rent, as it involves exchange of commodities for the surplus value. The tenancy acts themselves fix the proportion of distribution of the product between the landlord and serf. If it was to be capitalist rent the distribution would be assessed on the profit generated and not on the basis of the whole product.

4) Household Industry

Caste-based hereditary labour, according to the 1971 Census, increased over that of 1961 and stood at: barbers 7.1 lakhs, dhobies 9.47 lakhs, fisheries 6.01 lakhs, weavers and spinners 34.03 lakhs, shoemakers 5.97 lakhs, carpenters 12.64 lakhs, blacksmiths 10 lakhs, jewellers and precious metal workers (incl. goldsmiths) 5.76 lakhs, masons 15.35 lakhs, potters 30.60 lakhs, and tanners 0.53 lakhs.

If capitalist industry were to grow and break feudal relations it should first and foremost ostracise these ancient and backward forms of production and service. But these continue to exist and even remain together with industrial growth. Also a differentiation of the peasantry would simultaneously see the collapse of the household sector, coupled with the growth of modern indigenous industry. Lenin has said that, "Domestic industries are a necessary adjunct of natural economy, remnants of which are nearly always retained where there is a small peasantry." (Development of Capitalism in Russia, Lenin)

In India, not only does the caste-based household labour continue, but the household industries are propped up by the state and comprador big bourgeoisie. For example, in the year 1981-82 the total grants plus outstanding loans to the Kadi and Village industries was Rs. 338 crore. Kadi Rs. 208 crore and village industries Rs. 130 crore - given by the government. The very fact that this sector not only continues to exist but is propped up even in the face of expanding industrial production, is a clear example of the compromise struck by imperialism and the comprador big bourgeoisie with the backward pre-capitalist modes of production which they use as a social base for their existence.

The overall picture of Kadi and Village Industries in India and their trajectory indicates that the maximum growth in these areas took place in the decade of the 1970s. Surprisingly this was the same period when capitalist relations grew fastest.

The continued existence and growth of this household sector is a clear indication of a backward pre-capitalist mode of production wherein over three million families (or per cent of the population) continue their existence as artisans.

5) Home market

The differentiation of the peasantry will lead to an expansion of the home market. In India, as already mentioned, though there has been a continuous increase in food production, the percentage finding its way into the market has been static at around 30 to 35%. A more recent estimate put that no more than the top 10% of the land-owning peasant household has been able to produce marketable surpluses on any scale.

Also it will be found that the gross domestic capital formation as a percentage of the total has been virtually static in the decade of 1970s. It increased from 18% of the total (compared to registered manufacturing of 20%) in 1970-71 to 19% of the total (compared to registered manufacturing of 24%) in 1990-91. With little growth in proportion of the rural areas it would reflect: little growth in capitalist relations there during that period.

Another estimate of the growth in the rural market and of capitalism can be gauged by tracing the flow of commodities from urban to rural areas - and that too specifically in the sphere of production.

It is to be noted that, except for the early 1950s, in the entire period prior to the 'green revolution' there was a net flow of commodities from rural to urban areas, indicating a highly stagnant rural economy. From the 'green revolution' period this process was reversed and there has been a successively increasing net inflow of commodities into the rural areas indicating a growth in the rural market. No doubt, in the earlier year this growth was quite large - in 1967-68 it was Rs. 390 crore, which increased to Rs. 784 crore in 1970-71.

This factor is also observable from the fact that the percentage of producer goods to consumer goods (which consists mostly of necessities like salt, tea, etc.) imported into rural areas jumped from 17% in 1967-68 to 25% in 1970-71 - indicating thereby a larger inflow of intermediate commodity producer goods (like fertilisers, pesticides, etc.) primarily and also a small quantity of means of production like farm machinery.

Also, during the entire period of the 1950s and 1960s there was a massive shrinking of the percentage of per capita consumer expenditure spent on industrial goods in the rural areas (and also urban areas). In other words there was a relative shrinking of the home market in that period with a larger and larger amount of the families' incomes being devoted to the necessities of life. There was a perceptible reversal of this process in the rural areas from 1968-69 indicating some growth of market from the time of the 'green revolution'.

SUMMARY

This entire section shows that there has been a very slight differentiation of the peasantry. The basic forms of pre-capitalist production relations has remained intact, with land concentration continuing as before and small scale petty farming dominating the bulk of the rural population. It is in this existing framework that commodity production and the agrarian market has been increased by the imperialists through the 'green revolution', thereby enhancing capitalist relations within the semi-feudal framework.

Thus, from this section we find that the 'green revolution' period has definitely witnessed a rise in commodity production. This is reflected in: a growth of the urban population, growth of the rural market, growth of banking and institutional finance in the rural areas, a slight increase in constant capital in agriculture, the widespread prevalence of HYV types, and a slight growth in productivity. But at the same time all the pre-capitalist institutions continue to co-exist, if not increase. So we find: no change in land holdings and the growth of backward small scale farming, the traditional wooden and iron ploughs and bullock carts continued, widespread prevalence of household industry, the bulk of food grain production still being produced for consumption and not for market, the bulk of the surplus still not going to increase constant capital but for usury, trading, etc. no scientific utilisation of agriculture with productivity decreasing with increasing size of farm, the continuing prevalence of tenancy, share-cropping, etc. the bulk of the population continuing to be dependent on land, little differentiation of the peasantry with little growth in the agricultural labour.

With the labour generated continuing to be not free labour but attached and that which is free labour is being more of a seasonal type, an continuing caste-based division of labour of handicrafts and services. It is clear from this that the growth in capitalist relations has merely been super-imposed on the existing semi-feudal structure and has not proceeded to smash it.

No doubt, this increased capitalist penetration will enhance the contradictions within the rural economy, undermining to some extent traditional feudal relations and have its own impact on the class antagonisms in the countryside. One effect of this has been the mass upsurges of the middle and rich peasantry in many HYV areas. Though also some pockets of bourgeois farming will have developed (its limit can be seen in the excessively low increase in constant capital and particularly of the means of production, within Indian agriculture taken as a whole) the major impact of the 'green revolution' has been to enhance simple commodity production and not capitalist production.

Simple commodity production has existed since slave society, while capitalism, as already mentioned, "is commodity production at its highest stage of development, when labour power itself becomes a commodity." Simple commodity production is present when constant capital remains static with little or no surplus value being generated with the bulk of the produce being utilised to sustain the person and his family. Capitalist production, on the other hand, entails a continuing increase in constant capital and a generation of surplus value which is utilised to enhance the means of production.

So, whether it is a petty farmer, utilising even some limited wage labour, or whether it is a handicrafts man or some household industry, or whether it may be any other petty producer - they may all produce
Indian Agriculture

continued from page 16

commodities but rather do they generate surplus value nor do they develop or increase constant capital. This form of simple commodity production cannot continue for generations with out having much impact on the social relations of production. Capitalist production, on the other hand, revalorises the mode of production and by a continuous increase of the constant capital leads to the ruination and destruction of the small producer. The primary impact of the 'green revolution', except developing a rural bourgeoisie in certain pockets, has led to the growth of small commodity production on the backs of small fragmented farms through the widespread utilisation of HYV.

Also, the enhancement in sale of labour power utilised in small commodity production may extend the market but will not be a source of the growth of capitalist relations. In India, through the percentage of agricultural labourers, many have not increased much in the last decade; there has been an increase in sale of wage labour primarily because of the vast expansion of unorganised small holdings of the poor and even middle peasantry. But the bulk of this wage labour is involved in small commodity production with little effect on the growth of capitalist relations.

Finally, it is manufacturing industry that is the main force which develops capitalism in agriculture. Though industry has been growing, it has been doing so as an off-shoot of finance capital and therefore has been unable to generate that employment which is necessary to absorb any differentiation of the peasantry that may take place in the countryside. So the growth of the manufacturing industry within the imperialist framework, has not acted as the force to develop capitalism in agriculture. On the contrary, we have seen, as with the house hold industry, it can even itself with the pre-capitalist sectors of production. The result of such warped industrial growth is a massive unemployment in the urban areas together with even larger mass unemployment in the rural areas.

Thus, the overall agrarian picture in India continues to be semi-feudal in which there has been a certain growth of capitalist relations.

C. IMPACT SOCIAL RELATIONS OF PRODUCTION

To sum up, the chief characteristics of the present day rural India are:

a) Fragmentation of agricultural land and in consequence the predominance of small scale agriculture and subsistence farming,

b) Leasing out of land by deeds and by word of mouth for a period of time with the performance of labour service, i.e., tenant, sharecropping, etc.,

c) Primitive instruments of production,

d) Prevalence of caste and hereditary division of labour,

e) Preponderance of household industry,

f) Consequences of household industry,

g) Limited growth of market with bulk of food grains maintained for consumption and much payment in kind,

h) Attachment of the overwhelming proportion of the population to the land,

i) Limited differentiation of the peasantry,

j) Growth of commodity circulation on a small scale, and

k) Continuation of the patriarchal family, caste relations and diverse personal dependence.

That is, a combination of the semi-feudal mode of production with an enhanced amount of commodity circulation within it resulting in some growth of capitalist relations. The main impact has been to enhance simple commodity production and create pockets of a rural bourgeoisie within a predominantly semi-feudal structure.

Its impact on the social relations of production have been:

1) To reduce the traditional feudal methods of oppression,

2) To create a powerful rich peasant section

3) With HYV to force vast sections of the rural population into market production

4) To further perpetuate the fragmentation and parcelisation of land thereby increasing the poor and middle peasant population enormously.

5) To greatly impoverish the landless, poor and even middle peasants, forcing them to sell their labour power in order to eke out an existence

6) Greater imperialist loot of the entire rural population leading to a crisis in the agriculture with a continuing reduction in surplus being generated (i.e., after the first decade of 'green revolution')

7) To growth of simple commodity production and small pockets of rural bourgeoisie

8) To a continuation of all the other feudal forms of exploitation, viz., usury, trading, etc.

The result of this has been to enhance the contradictions within agriculture:

a) Due to further impoverishment, heightening the contradiction between the landless and poor peasants on the one hand and the rich peasants and landlords on the other,

b) With vast sections being brought under HYV and within the

market, and with the value of output dripping and fluctuating enormously with fluctuations in weather and fluctuations in the market - i.e., a cross situation developing, an increased contradiction within this vast masses and the imperialist-comprarator bourgeoisie and government.

(c) With the accumulation of certain wealth by the rich peasants and a section of landlords due to the 'green revolution' the growth of more powerful and social rich peasant lobby,

(d) With the crises of the 'green revolution' due to high prices of inputs and a falling price of outputs a growing contradiction between the rich peasantry, a section of landlords (who have taken to HYV) and the middle peasantry on the one hand and the government, imperialisation and comprador bourgeoisie on the other.

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Tibet

continued from page 12

of China (1954) reads as follows: "... All nationalities of our country are united as one great family of free and equal nationalities. This unity of China's nationalities will continue to gain in strength, founded as it is on an ever-growing friendship and mutual aid among themselves and on the struggle against imperialism, against public enemies of the people within these nationalities and against both dominant-nation chauvinism and local nationalism. In the course of economic and cultural development, the state will concern itself with the needs of the different nationalities, and, in the matter of socialist transformation, pay full attention to the special characteristics in the development of each...."

Here attention has been drawn both to Han chauvinism and the chauvinism of small nationalities. In his essay entitled On the Ten Major Relationships (25 April 1956), Mao pointed out: "... We put the emphasis on opposing Han chauvinism. Local-nationality chauvinism must be opposed too, but generally that is not where our emphasis lies..." (SW, Vol. II, pp. 244-245).

In Article 3, General Principles, Chapter 1 of the First Constitution, it is written that -

"The People's Republic of China is a single multi-national state. All the nationalities are equal. Discrimination against, or oppression of any nationality and acts which undermine the unity of the nationalities are prohibited. All the nationalities have freedom to use and Foster the growth of their spoken and written languages and to preserve or reform their own customs or ways. Regional autonomy applies in areas where people of national minorities live in compact communities. National autonomous areas are inalienable parts of the People's Republic of China..."

The idea of combating both Han chauvinism and local-nationality chauvinism was expressed by Mao also in his On the Correct Handling of Contradictions among the People (27 February 1957). Closely related to it is the question: why China, instead of adopting the policy of autonomous republics like the USSR, went for the creation of autonomous regions.

Autonomous republics in the USSR, why autonomous regions, and not autonomous republics in China?: Chou En-lai answers

Chou En-lai also talks about chauvinism of two types—Han chauvinism and minority/chauvinism. Han chauvinism can develop into a tendency towards discrimination and minority chauvinism can develop into a tendency towards separatism. This socialist China, in the words of Chou En-lai, "is not to be monopolized by any one nationality. It belongs to the more than 50 nationalities in our country, to the entire people of the People's Republic of China" (Questions relating to our Policies towards China's Nationalities, 4 August 1957, SW, Vol. II, Beijing 1989, pp. 253-54).

Chou En-lai in that essay dealt with the question of regional autonomy. Why did the PRC opt for the policy of autonomous regions, rather than that of autonomous republics? This question is relevant for the purpose of our present discussion. In China, self-government takes the form of autonomous regions, prefectures, counties or townships, whereas in the USSR, there were autonomous republics and small administrative units, such as oblasts and so on. The forms of autonomy in the two countries differ not only in name, but also in substance. The right to self-government was enjoyed by the nationalities in both the cases. In fact, the differences lie in the way..."