

Capital, Labour and the Farm Laws: Who stands to gain?

The Sarkari Doublespeak?

The Union Minister Nitin Gadkari while talking to the journalists of The Indian Express (January 4, 2021) said:

“...after the Green Revolution, we now have surplus rice. Prior to 2020's production, we had about 280 lakh tonnes of rice in our godowns. We can give rice to the entire world. In case of corn, the MSP is Rs 1,700, when the market price is about Rs 1,100. Last year, we exported 60 lakh tonnes of sugar, providing a subsidy of Rs 600 crore. Why is it that the cost of sugar in the international market is Rs 22 per kg but we are paying Rs 34 per kg for sugarcane? Our MSP is more than the international and market prices, and that is the problem.

I have been talking about ethanol for the last 12 years. But the permission to convert foodgrains (to fuel) was not granted. We import fuel worth Rs 8 lakh crore. We can make 480 litres of ethanol from 1 tonne of rice. From 1 tonne of corn, we can make 380 litres of ethanol. The economy of Bihar and Uttar Pradesh will be transformed.”

Ironically, Gadkari is openly considering the MSP as a problem, when his government is trying hard to convince the farmers that it does not intend to remove the MSP. At the borders of Delhi, farmers are protesting against the farm reform acts and one of their main demands is to keep the institution of MSP intact!

Surplus Foodgrains and the Hungry Poor - A Paradox?

The minister while mentioning about overflowing stocks in godowns probably forgot that this overflow is not due to surplus production, but the godowns are full because a large section of the Indian population is stricken by hunger. They lack the purchasing power to buy food items and hence the stockpile; which for the government is an achievement as well as a cause of worry.

The minister and the current government may take pride like their predecessor on the overflowing food stock, but reality is far from being rosy, or rather it is bleak.

Almost 20 crore Indians go to bed hungry, and about one third of the world's hungry lives in India. In the *Global Hunger Index 2020*, India ranked 94 among 107 countries and has been categorised as ‘serious’. The report further mentioned that 14 per cent of India's population is undernourished. It also says that the country recorded a child stunting rate of 37.4 per cent. Stunted children are those who have a “low height for their age, reflecting chronic undernutrition”. (The Indian Express, October 19, 2020)

The State of Food Security and Nutrition in the World, 2020 report by the FAO further reveals the state of abject poverty faced by the large population of the country. It reported, 189.2 million people are undernourished in India. By this measure 14% of the population is undernourished in India. Also, 51.4% of women in reproductive age between 15 to 49 years are anaemic. Further, according to the report, 34.7% of the children aged under five in India are stunted (too short for their age), while 20% suffer from wasting, meaning their weight is too low for their height. Malnourished children have a higher risk of death from common childhood illnesses such as diarrhea, pneumonia, and malaria.

A country with such a high level of hunger and malnutrition cannot be then termed as food sufficient and the logic of moving away from what is termed as ‘cereal trap’ by the official economists, does not hold ground. In fact it is the other way round. The country has enough grain because the vast majority have been denied access to it.

The surplus population of India has been driven out of the food market by making it economically inaccessible. They over years have become the proverbial ‘lost tribe’ whose life and well being does not bother the government, either at the centre or the states. They no longer hog the headline hence political outfits be it of any orientation also do not care about them.

Finance Capital, Agriculture & Surplus Population - The Logic of Capital vs the Logic of Life

To the mingled cries of the impoverished and the dying masses, the government has formulated acts that would intensify capitalist accumulation in the agrarian sector. The rate of capital accumulation and reproduction in agriculture cannot increase until it is vertically integrated with commercial and industrial capitals organised in agribusinesses and otherwise.

Furthermore, today capitalist accumulation is dominated by the finance capital, which is not simply the institutionalised merger of banking and industrial capital. In the current phase of neoliberalism, the circulation of money is increasingly making itself independent of commodity production and circulation, i.e., the real economy. Through various mechanisms, instruments and institutions of finance, capital is able to attract and accumulate surplus value anticipated and actualised in the production process without really engaging with it. ***The recent farm acts restructure the relationship of agriculture with commercial, and industrial interests in such a manner that the whole sector can be open for financial predation.***

Hence, instead of food crops the government wants the farmers to grow cash crops to be utilised by the industries, be it in the form of ethanol or other industrial products. The profit maximisation is the key. People's survival becomes secondary.

The myth of food self sufficiency being dished out by the government and its experts would dispel in thin air, as soon as the purchasing power increased of the dispossessed. The hungry poor and producers of the country in fact if they decide to feed themselves would be found wanting to raise the production as well they might even have to increase the area of current cereal cultivation. The entire gullible story of cereal trap and move to cash crop, has been built on the edifice of hunger, malnutrition and poverty.

The financialised logic of capital in which the Indian state has long been caught up has led to a progressive surplus of population in India which could sustain themselves in various levels of informal economies of agriculture and industry. It is now through various legal, structural and digital mechanisms these economies are being further opened up for their direct integration in the logic of finance.

The move towards cash crop as well as diverting the agrarian land to other commercial use, ranging from industrial use to even golf course would simply mean pushing a vast segment of the population currently reproducing themselves through agricultural work towards further surplus. Pulling people from the agricultural to industrial sector proved progressive during the initial phase of capitalist development, where the industries were able to absorb the latent force into industrial wage work. But, in the era of neoliberalism where we have been witnessing jobless development and the rate of new job creation is diminishing, the working masses of the country are at the verge of total destitution. The provisions of these three acts points to the same direction. Marx once said:

“in a declining state of society -- increasing misery of the worker; in an advancing state -- misery with complication, and in a fully developed state of society -- static misery.”

Having a large unemployed force, is what even the capitalists want. A country having massive unemployment is also a place for maximum exploitation. The surplus labour acts to keep the wages down as well as it keeps the labour 'disciplined'. For fear of being replaced they would not unionise nor would demand for any wage hike. Such a scenario becomes ideal for the more brutal and primitive system of absolute surplus value extraction (by extending the working day etc., complementing the more advanced relative surplus value extraction through intensified mechanisation and automation) in which the majority of the working class would suffer. What else is the meaning of the labour law changes in India today?

The Latin phrase *cui prodest?* meaning “who stands to gain?” needs to be applied more than ever under the present noble system of capitalism, where national interest is the veil of class interest. As capitalist brutality increases the precarities would increase, which could be managed only by violence and war (internal and external). We are standing at a juncture where the question of *roti* (bread), land and peace is once again at stake. Of all the political questions the struggle for **bread, land and peace** is the one that would take precedence and this is the struggle of the surplus and disposed, which today means the whole of the labouring masses.

Issued Jointly by

Shramik Samvad (Nagpur)

Mazdoor Samanvay Kendra