

# India's Agrarian Crisis: Dismantling 'Development'

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*In his 1978 book 'India Mortgaged', [T.N. Reddy](#) predicted the country would one day open all sectors to foreign direct investment and surrender economic sovereignty to imperialist powers.*

Today, the US and Europe cling to a moribund form of capitalism and have used various mechanisms to bolster the system in the face of economic stagnation and massive inequalities: the raiding of public budgets, the expansion of credit to consumers and governments to sustain spending and consumption, financial speculation and increased militarism. Via 'globalisation', Western powers have also been on an unrelenting drive to plunder what they regard as 'untapped markets' in other areas of the globe.

Agricapital has been moving in on Indian food and agriculture for some time. But India is an agrarian-based country underpinned by smallholder agriculture and decentralised food processing. Foreign capital therefore first needs to displace the current model before bringing India's food and agriculture sector under its control. And this is precisely what is happening.

Western agribusiness is [shaping the 'development' agenda](#) in India. Over 300,000 farmers have taken their lives since 1997 and many more are experiencing economic distress or have left farming as a result of [debt, a shift to \(GMO\) cash crops and economic liberalisation](#).

Other sectors have not been immune to this bogus notion of development. Millions of people have been displaced to facilitate the needs of resource extraction industries, land grabs for Special Economic Zones, nuclear plants and other large-scale projects. And the full military backing of the state has been on hand to forcibly evict people, place them in camps and inflict human rights abuses on them.

To help open the nation to foreign capital, proponents of economic neoliberalism are fond of stating that 'regulatory blockages' must be removed. If particular 'blockages' stemming from legitimate protest, rights to land and dissent cannot be dealt with by peaceful means, other methods are used. And when increasing mass surveillance or widespread ideological attempts to discredit and smear does not secure compliance or dilute the power of protest, brute force is on hand.

India's agrarian crisis

India is currently witnessing a headlong rush to facilitate (foreign) agricapital and the running down of the existing system of agriculture. Millions of small-scale and marginal farmers are suffering economic distress as the sector is [deliberately made financially non-](#)

[viable](#) for them.

At the same time, the country's spurt of GDP growth – the holy grail of 'development' – has largely been fuelled on the back of cheap food and the subsequent impoverishment of farmers. The gap between their income and the rest of the population has widened enormously to the point where rural India consumes less calories per head of population than it did 40 years ago. Meanwhile, unlike farmers, corporations receive massive handouts and interest-free loans but have failed to spur job creation.

The plan is to displace the existing system of livelihood-sustaining smallholder agriculture with one dominated from seed to plate by transnational agribusiness and retail concerns. To facilitate this, independent cultivators are being bankrupted, land is to be amalgamated to facilitate large-scale industrial cultivation and remaining farmers will be absorbed into corporate supply chains and squeezed as they work on contracts, the terms of which will be dictated by large agribusiness and chain retailers.

US agribusiness corporations are spearheading the process, the very companies that fuel and thrive on a five-year US taxpayer-funded farm bill subsidy of around \$500 billion. Their industrial model in the US is based on the overproduction of certain commodities often sold at prices below the cost of production and dumped on the rest of the world, thereby undermining farmers' livelihoods and agriculture in other countries.

It is a model designed to facilitate the needs and profits of these corporations which belong to the agritech, agrichemicals, commodity trading, food processing and retail sectors. A model that can only survive thanks to taxpayer handouts and by subsidising the farmer who is squeezed at one end by seed and agrochemical manufacturers and at the other, by powerful retail interests. A model that can only function by externalising its massive health, environmental and social costs. And a model that only leads to the destruction of rural communities and jobs, degraded soil, less diverse and nutrient-deficient diets, polluted water, water shortages and poor health.

If we look at the US model, it serves the needs of agribusiness corporations and large-scale retailers, not farmers, the public nor the environment. So by bowing to their needs via World Bank directives and the US-Indo Knowledge Initiative on Agriculture, what is the future to be for India?

A mainly urbanised country reliant on an industrial agriculture and all it entails, including denutritified food, increasingly monolithic diets, the massive use of agrochemicals and food contaminated by hormones, steroids, antibiotics and a range of chemical additives. A country with spiralling rates of ill health, degraded soil, a collapse in the insect population, contaminated and depleted water supplies and a cartel of seed, chemical and food processing companies with ever-greater control over the global food production and supply chain.

But we don't need a crystal ball to look into the future. Much of the above is already taking place, not least the destruction of rural communities, the impoverishment of the countryside and continuing urbanisation, which is itself causing problems for India's crowded cities and eating up valuable agricultural land.

So why would India want to let the foxes guard the hen house? Why mimic the model of intensive, chemical-dependent agriculture of the US and be further incorporated into a

corrupt US-dominated global food regime that [undermines food security and food sovereignty](#)? After all, [numerous high-level reports](#) have concluded that policies need to support more resilient, diverse, sustainable (smallholder) agroecological methods of farming and develop decentralised, locally-based food economies.

Yet the trend in India continues to move in the opposite direction towards industrial-scale agriculture and centralised chains for the benefit of Monsanto-Bayer, Cargill and other transnational players.

The plan is to shift hundreds of millions from the countryside into the cities to serve as a cheap army of labour for offshored foreign companies, mirroring what China has become: a US colonial outpost for manufacturing that has boosted corporate profits at the expense of US jobs. In India, rural migrants are to become the new 'serfs' of the informal services and construction sectors or to be trained for low-level industrial jobs. Even here, however, India might have missed the boat as jobless 'growth' seems to have arrived as the effects of automation and artificial intelligence are eradicating the need for human labour across many sectors.

If we look at the various Western powers, to whom many of India's top politicians look to in order to 'modernise' the country's food and agriculture, their paths to economic prosperity occurred on the back of colonialism and imperialism. Do India's politicians think this mindset has disappeared?

Fuelled by capitalism's compulsion to overproduce and then seek out new markets, the same mentality now lurks behind the neoliberal globalisation agenda: terms and policies like 'foreign direct investment', 'ease of doing business', making India 'business friendly' or 'enabling the business of agriculture' embody little more than the tenets of neoliberal fundamentalism wrapped in benign-sounding words. It boils down to one thing: [Monsanto-Bayer, Cargill and other transnational corporations](#) will decide on what is to be eaten and how it is to be produced and processed.

#### Alternatives to development

Current policies seek to tie agriculture to an environmentally destructive, moribund system of capitalism. [Practical solutions](#) to the agrarian crisis must be based on sustainable agriculture which places the small farmer at the centre of policies: far-sighted and sustained policy initiatives centred on self-sufficiency, localisation, food sovereignty, [regenerative agriculture](#) and [agroecology](#).



The [scaling up](#) of agroecological approaches should be a lynchpin of genuine [rural](#)

[development](#). Other measures involve implementing land reforms, correcting [rigged trade](#), [delinking from capitalist globalisation](#) (capital controls) and managing foreign trade to suit smallholder farmers' interests not those of foreign agricapital.

More generally, there is the need to recognise that genuine sustainable agriculture can only be achieved by challenging power relations, especially resisting the industrial model of agriculture being rolled out by powerful agribusiness corporations and the neoliberal policies that serve their interests.

What is required is an 'alternative to development' as post-development theorist [Arturo Escobar](#) explains:

"Because seven decades after World War II, certain fundamentals have not changed. Global inequality remains severe, both between and within nations. Environmental devastation and human dislocation, driven by political as well as ecological factors, continues to worsen. These are symptoms of the failure of "development," indicators that the intellectual and political post-development project remains an urgent task."

Looking at the situation in Latin America, Escobar says development strategies have centred on large-scale interventions, such as the expansion of oil palm plantations, mining, and large port development.

And it is similar in India: commodity monocropping; immiseration in the countryside; the appropriation of biodiversity, the means of subsistence for millions of rural dwellers; unnecessary and inappropriate environment-destroying, people-displacing infrastructure projects; and state-backed violence against the poorest and most marginalised sections of society.

These problems, says Escobar, are not the result of a lack of development but of 'excessive development'. Escobar looks towards the worldviews of indigenous peoples and the inseparability and interdependence of humans and nature for solutions.

He is not alone. Writers [Felix Padel and Malvika Gupta](#) argue that adivasi (India's indigenous peoples) economics may be the only hope for the future because India's tribal cultures remain the antithesis of capitalism and industrialisation. Their age-old knowledge and value systems promote long-term sustainability through restraint in what is taken from nature. Their societies also emphasise equality and sharing rather than hierarchy and competition.

These principles must guide our actions regardless of where we live on the planet because what's the alternative? A system driven by narcissism, domination, ego, anthropocentrism, speciesism and plunder. A system that is using up oil, water and other resources much faster than they can ever be regenerated. We have poisoned the rivers and oceans, destroyed natural habitats, driven wildlife species to (the edge of) extinction and have altered the chemical composition of the atmosphere to the point that runaway climate change seems more and more likely.

And, as we see all around us, the outcome is endless conflicts over fewer and fewer resources, while nuclear missiles hand over humanity's head like a sword of Damocles.

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