

**Agrarian Relations  
The Long Debate**

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# Editorial

## What is the Agrarian Question?

**H**istorically, the Agrarian Question has always been considered central to modern capitalist development. The term, coined by German Marxist Karl Kautsky, is synonymous with the issue of changing agrarian relations and development of capitalist relations, or transition to industrial capitalist economy from a pre-capitalist traditional agrarian economy. This issue is central to Marxists practitioners as well as academicians and policy makers. In Marxist literature, such a process of development of capitalist relations is traditionally considered to have an importance for emergence of industrial proletariat: on one hand, deciding the fate of small peasantry who either get transformed into capitalist farmers or proletarians disassociated from their tiny parcels of land. On the other hand, the capital accumulation process by the capitalist farming class and the exploitation of the wage labour, would facilitate the growth of modern industrial sector by supplying cheap raw materials, food, earning foreign exchange and labour supply from the supply side and creating a home market for the industrial goods on the demand side. This is an important understanding for communist parties to form their mobilization strategies. In case of a successful transition, a communist party has a clear task of organizing the industrial workers to sharpen the primary contradiction between labour and capital. The case of an incomplete transition presents a need to organize peasants along with workers, as emphasized by Lenin. And complete non-starters of transition would present a predicament of either waiting for and aiding a bourgeois transition or organizing a peasant revolution against the feudal establishment, as did by Mao Zedong in

China. This is from the perspective of a political strategy for a communist party.

This transition is important for a developmental state and capitalism as well under certain conditions. Unlike Western capitalist countries whose transition to capitalism was negotiated under the umbrella of imperialist colonialism, postcolonial societies lack sources of imperialist accumulation. In the absence of access to global finance and trade opportunities, a growing agricultural sector plays a role of home market creator, supplier of financial surplus as well as agricultural surplus to the modern capitalist sector. Hence, such a developmental state is critically interested in modernizing agriculture; undertaking land and tenancy regulations, and providing institutional support in terms of technology, subsidized inputs, support prices, warehousing, public procurement and transport. These measures transform the agrarian sector and in turn the modern sector, which accelerates given its technological and market advantages. Here too after a point of time, a conflict emerges in terms of accumulation: agricultural sector suffers loss of relative prices, profit rates and accumulation besides confronting risk and disaster costs. Ideally, the migration of surplus labour in agriculture and absorption into the modern industry is supposed to mitigate this adverse development. Thus, the agrarian question is resolved in principle through the developmental state managing the capitalist transition. However, the absence of an ideal transition in most post-colonial societies brings us back to go back to examine the agrarian transition in both conceptual and empirical dimensions to come to terms theoretically and practically with the existing reality of a huge agrarian sector,

distress ridden small peasantry, farmers suicides, poverty and squalor.

### Marx's Initiation

Marxist literature on agrarian transition probably is the most rigorous and historically realistic understanding. The debate on agrarian transition to capitalism is now 150 years old, since Marx stated his observations in Volume 3 of *Das Capital*. Marx traced the particular circumstances that gave rise to the capitalist farmer in the 16<sup>th</sup> century England. He narrates the historical events of the rise of agricultural prices in 14<sup>th</sup> century, Enclosures by the landlords, displacement of small peasants, the Black Death and its consequences of collapse of tenancy, and eventual emergence of middle level tenant farmer as the capitalist farmer leasing in land, hiring wage labour and earning a profit from trade. Marx also discusses the accompanying factors for the emergence of such a system. Somehow, in popular literature this is sometimes taken as the classical route of capitalist transformation –template to follow, even though Marx never said this. He however said that primitive accumulation and capitalist transition would eliminate the small peasantry and transform them either into capitalist farmer or proletariat. This broadsheet presents the two important pieces by Marx.

### Will the peasant disappear?

After his death, French and German social democratic parties faced the dilemma to organize or to leave untouched a small but substantial portion of small peasantry which tenaciously survived ruthlessly destructive competitive conditions. Both Friedrich Engels and Karl Kautsky have dealt with agrarian question, whose short versions we have included in this volume. We include a summary of five major chapters of Kautsky's book *Die Agrarfrage (The Agrarian Question)*. Kautsky's is the first comprehensive work, conceptually and empirically on the question of persistence of small peasants in Germany, written in 1899. Lenin regarded Kautsky's work as the most noteworthy contribution to recent economic literature. Lenin's work on *Development of Capitalism in Russia* is on his own admission a restatement of the Kautsky's thesis in Russian context. Kautsky's work somehow was lost in oblivion until two decades ago, when it was translated into English in 1988. Kautsky's writings become extremely interesting to understand Indian context for the kind of agrarian transition

that occurs under the efforts of the Indian state in the first four decades since Independence. Kautsky himself concluded that agrarian transition does not mean total elimination of small and marginal peasantry from agriculture, who tend to survive through self-exploitation and starvation as a means to avoid joining the unemployed reserve army. Their formal subsumption into capitalist accumulation process enables extraction of surplus value from their family labour, hence these are proletarians in disguise. Can their position be redeemed within the capitalist system is the million dollar question.

### **What to do with the Small Peasants?**

Engel's *Peasant Question in France and Germany*, written slightly earlier than Kautsky's work in 1894 addresses precisely this predicament faced by the Social Democratic Parties. Engels clearly conveyed the indefensibility of small peasant position under capitalist competition, warns the SDP not to give false promises, yet strongly suggests not leaving them to the bourgeois parties. His essay is instructive even for today's context. He cautions against forcible taking over of their land, instead persuading them to form cooperatives for the small peasants, which is the last option for the socialized production form, even though the real resolution lies in nationalization of land and giving every peasant his/her rightful (equal) share; this is an answer to a standard question often asked, 'what is the final solution?'. Marx's essay on Nationalization of Land which we present here probably shows the final solution. Marx passionately argues the futility of bourgeois individual property right which has a particular social role in production. The crisis of farmers is argued to emanate from this dichotomy which has to be resolved in unification of ownership and socialization of distribution.

### **What makes capitalism grow?**

The debate over the revolutionary strategy recurred in the post-World War period of decolonization, which again centred around transition of pre-capitalist societies into capitalist ones. The influence of European Marxists remained strong over the third world Marxists. For instance, the position taken by two English historians, Maurice Dobb and Rodney Hilton, held sway over the transition discourse. They held that the 'class struggle' that takes place between tenants and feudal lords was the prime mover in the

decline of an inherently inefficient feudalism, the rider being the primacy of this class struggle in any transition, and was a prescriptive idea for Marxist praxis in backward societies. The dominance of this view was questioned by the American Marxist Paul Sweezy, who tried to draw attention to other important factors such as long distance trade, monetization and growth of urban guilds. Such an argument draws one's attention to the aspect of 'uneven and combined development' of Marx, which implies the historical unevenness of relations of production would be coalesced by a combination of factors that feed capital accumulation on a global dimension. The dialectical interplay of internal and external factors would determine the development of relations and forces of production. This is well known as Dobb-Sweezy debate. Quite away from this famous debate, we have tried to draw attention yet another important paper by an English historian, Stefan Epstein, who questions Dobb-Hilton's English-centric articulation which could not comprehensively answer several questions. He highlights the role of technological progress and role of the state, patronized by the feudal regimes which became factors that led to the fall of feudal relations. Epstein's article becomes important to see the ramifications even for the present transition and development of capitalist growth.

### **The Great Indian Mode of Production Debate: In search of Capitalist Farmer**

The great Indian 'mode of production debate' that took place in the mid-seventies probably was the last intellectual attempt in India to seriously debate the nature of the mode of production in Indian economy in general and in Indian agriculture in particular. This extended debate, which involved over two dozen political economists and has largely remained academic and confined to few who cared to read the frustratingly polemical essays, remained inconclusive given the vast diversity of Indian agricultural forms. The debate was centred around how to characterize the nature of accumulation: whether it is essentially 'capitalist', 'semi-feudal/semi-colonial' or 'feudal'. On a positive note, one can say that it brought out the complexity of the question whether one should identify a set of practices of farmers and attributes of the system to characterize the generic nature of the system. It also reflected the influence of Dobb-Sweezy debate, neo-Marxian critiques on one hand

and certain particular agrarian relations as necessarily pre-capitalist or semi-feudal. We have a short summary of a review written by Praful Bidwai, and published as an appendix in his posthumous book titled *The Phoenix Moment* (2015). As the author writes, the subsequent scholarly work on different states in India has brought more clarity on the diversity as well as convergence in the past three decades. Reading this debate now would refresh our understanding of the limits and contours in which the discourse was conducted, and which therefore remained inconclusive.

### **Is there a Classical Transition Theory ?**

The non-linearity of capitalist transition, in which is so important to see the multiple possible routes, is highlighted by the work of T. J. Byres, a professor of political economy who served as an editor for *Journal of Peasant Studies* for over three decades. Byres narrates the three distinct routes of transition to capitalism in England, France and Germany, with an essential purpose to remind us that none of them are necessarily the models of transition to repeat. Byres terms the English experience which made middle level tenant farmer emerge as a capitalist farmer with several factors leading to this outcome, 'capitalism from below'. The French agrarian structure gave rise to a preponderance of small peasantry, who were squeezed by a large class of absentee *rentiers* through middlemen, and who were freed only after the French Revolution, transformed into capitalist farmers — all this without necessarily forming large farms. Some perished and many survived. Byres terms this as a case of 'capitalism delayed'. The third case of Prussian transition shows the case of late feudalization of peasantry by large land owning *Junkers*, whose resistance of Napoleonic wars, is met with a strategy of commercialization and eventual mechanization in the late 19<sup>th</sup> century, as a case of 'capitalism from above'. Byres paper is an important one to understand the contingent nature of the capitalist transition, without essentializing any one model. In subsequent work, Byres analyses the Russian, American, Japanese, South Korean and Indian paths highlighting the non-linearity.

The issue of agrarian distress became central in Indian political discourse in the recent times since the advent of economic reforms in 1991. Several works on specific empirical aspects regarding rising costs of production,

falling viability, growing private and institutional indebtedness of farmers, deepening groundwater crisis, spurious inputs, unstable weather conditions, declining state support to farming all highlight the circumstances of continuing farmer suicides. While some attribute the crisis to the state apathy and others to naked plunder by intermediaries, the agrarian question is doubtless reopened. Should this be seen as purely contingent situation of the times or to see this as part of larger global reorganization of capital, in which Indian farming is reintegrated. In such a case, should the agrarian question be reconfigured? We have introduced three important interventions in the literature by Henry Bernstein and Akram-Lodhi & Cristobal Kay in global context; and Amit Basole & Dipankar Basu (2011) and Kalyan Sanyal (2007) that problematise the Indian context.

### **Peasant Question in 20<sup>th</sup> Century Capitalist Development**

Bernstein's work *Agrarian Question: Now and Then* (2004) is probably the single most important writing which brings clarity on what actually the agrarian question constitutes. Drawing from the work of T J Byres, Bernstein argues that the initial debate in Europe on the agrarian question concerned the suitable political program of mobilizing peasants, on the ground that these are proletarians in disguise. He calls this the Agrarian Question 1 (AQ1), which is that of labour. When the transformation of the peasant is raised in the context of Soviet Union in 1927 (known as Scissors Debate) seeking to raise cheap agricultural surplus for the urban population and to facilitate faster industrial accumulation, this concern is called AQ2. Another example of this was when Green Revolution was introduced in India to raise marketed surplus, which holds an inflationary constraint and growth constraint to industry. AQ1 was seen necessary for AQ2. However, after globalization, when capital in the periphery gets access of transnational capital, and the global food market became active, AQ2 is bypassed. Now under the globalization, agrarian markets are reintegrated with global supply chains, organized by big capital, far more peasants across the world are incorporated into capital accumulation on the world scale. This process, Bernstein called AQ3. AQ1 and AQ2, which are agrarian question of labour and production are no longer necessary for the

agrarian question of accumulation. In other words the traditional agrarian question is bypassed by globalised capital accumulation regime. This is perhaps single most important proposition that explains the globalization process and plight of peasants across regions.

### **Agrarian Question in the post-Globalisation Period**

Akram Lodhi and Cristobal Kay (2010) in their exhaustive review 'Surveying Agrarian Question' in *Journal of Peasant Studies*, endorse Bernstein's propositions and reiterate the need for reconfiguring agrarian question in the post-Globalization period. When the agricultural sector is losing its role as complementary sector and is no longer a constraint on structural transformation, the agrarian question has no resolution in the emerging capitalist regime.

Internationalization of capital is argued to have 'decoupled' the national labour regimes from transnational capital. This is not to deny the existence of an agrarian crisis, but the system has neither the need nor the compulsion to resolve it. It can draw peasants into accumulation chain at will and abandon them through market mayhem during harvest bounties. In terms of livelihood crises doubtless the agrarian question remains. Lodhi-Kay further suggests one should even expand its scope by introducing gender, ecological aspects. Hence, agrarian question is argued to be reloaded in the context of globalization context.

### **Hasn't Indian Agriculture Capitalist enough?**

When the mode of production of debate took place in sixties and seventies, scholars were bereft of any reliable official statistical base for agriculture. A subsequent improvement by National Sample Survey data, in spite of criticisms, has a much large sample data, taken at regular intervals. Even though umpteen micro level studies have been undertaken in the past four decades that has brought out extremely rich information on changing conditions in rural India, a broad brush empirical view would bring clarity on larger changes. Amit Basole and Deepankar Basu have published an important article in *Economic and Political Weekly* in 2011, using the NSS data for marking changes in agriculture in the past 50 years (1661-2011). It has two parts, one on agriculture and other on industry, with a primary purpose of identifying the dominant mode of

accumulation in India. While taking it granted that the dominant mode of accumulation in modern sector (industry and service sector) is by exploiting wage labour as in any standard capitalist system, they proceed to map out the situation for agriculture. They argue that in spite of trend of extremely acute fragmentation of holdings and rise of small/marginal holdings, all other features are unambiguously capitalist. Important trends are a rise in capital formation in agriculture, increased share of institutional credit, falling share of agricultural income for rural households for poorer households in particular, replaced with wage income from farm and non-farm sources, rise in self-cultivation, reduced share of tenancy, rise in cash rents, and so on. The authors muster impressive macro evidence to suggest that Indian agriculture made definite strides towards capitalist relations and dominant mode of surplus extraction is wage labour exploitation. Agriculture by becoming commercial does not necessarily become remunerative for lower strands of peasantry, it indeed is an immanent outcome of class differentiation.

Basole and Basu's observations are shared widely by several empirical studies. In the context of combined state of Andhra Pradesh, though now bifurcated, the paper by Ramana Murthy echoes these views and suggests clear signs of agrarian transition. The paper presents observations from interviewing 1057 farm households in seven villages in erstwhile state of Andhra Pradesh, that include Telangana, Rayalaseema and Coastal Andhra. The paper explains the causes behind the proliferation of the share of small farms in agriculture. It shows there is growing class differentiation between two classes of farmers, namely those below 10 acres and those who are above; the author characterizes them as petty commodity producers and capitalist farmers. The former combine wage income with farm income, earn a subsistence income from a simple reproduction of value, while the latter indulge in profitable farming with expanded reproduction of value. The petty commodity producing class also are compelled to diversify into non-agricultural activities, though mostly wage labour, showing the transforming character of rural labour. The paper reiterates Kalyan Sanyal's position that the social welfare transfer in the current neoliberal age by the state appears to mitigate the subsistence crisis of petty

commodity producing class, constitutes the politics of transformation and management of poverty.

Vidyasagar's recent book comes in strong support of the argument that capitalist relations in agriculture have developed significantly in the past five decades in even the most backward regions like Srikakulam district in the state of Andhra Pradesh. From his book, we have excerpted a chapter on Dalits and Land to present an important social dimension of Indian peasantry. Dalits are historically denied ownership of land in Indian society. The efforts of the Indian state to transfer some land to them were thoroughly defeated by the upper peasant castes. The majority dalits could not retain even the small parcels given to them, compelled to sell them off back to upper peasantry and go back to wage labour. The paper argues that the overall faster capitalist growth in the economy since 1990s have created opportunities to escape the countryside and its social oppression and unfree labour relations as *attached labour*. The migration opportunities are seen to provide escape to free wage labour in urban locations, even as circulatory labour. The article contains interesting empirical case studies.

### Towards Politics of Post-Colonial Capitalism

To come to terms with our own trajectory of India's particular capitalist transition needs more intellectual engagement. It is crucial to understand the kind of political management the state undertakes for the reproduction of capitalist hegemony and accumulation. We introduce an important and interesting work of the late Kalyan Sanyal, *Rethinking Capitalist Development: Primitive Accumulation, Governmentality & Post Colonial Capitalism (2007)*. Tracing the diligent efforts of developmental state in post-Independence period, through planning and intervention, as it raises the resources and eases the constraints of growth, the author shows the expansion of capitalist architecture in India, and the peculiar conditions of 20<sup>th</sup> Century post-colonial capitalism, which are distinct from the conditions under which Western capitalism was incubated. Sanyal's reconceptualization of surplus labour in the economy, as they migrate to urban informal sector, which he conceptualizes as the non-capital sector, which remains connected to the capitalist sector as it is rejected in formal incorporation. He argues this management

of the conditions of capitalist political economy is a typical post-colonial feature. The establishment of a hegemony over such processes occurs through *governmentality* – a Foucaultian idea of how a modern liberal state manages the various population groups through welfare programs, without yielding any formal rights, constitutes the politics of the nation state. A provocative yet extremely scholarly argument by Sanyal, we introduce it with a wafer thin summary interpretation which should inspire serious scholars to read the original.

### Final Remarks

The understanding of the capitalist system and the political discourse on agrarian issues are closely connected to each other and any fractured analysis would only slip into populism. The bourgeois economist who treats farmers as rational agents, is incapable of theorizing the institutional process of peasants transformed into commercial farmers. The liberal bourgeois state which allows unfettered market forces to operate often promises to look into problems of farming sector, only to renege on them after raising expectations, leaving people often confused whether to blame markets or state or the concerted interplay of the two. It will offer welfare transfers as a mitigating factor to deal with political fallout. One should clearly understand that agriculture gets transformed for the capital accumulation in industrial and service sectors, hence becomes subordinated to hegemony of the latter. Second, the unequal exchange relation between the two is the source of crisis for the agrarian sector. There are two specific dimensions of the crisis of small peasantry from Marxist methodology point of view. One, there is a crisis of realization of necessary labour value of the small peasant who over exploits himself. He fails to get his wage worth. This is largely due to unbridled competition among them. This can be resolved to some extent through organizing them into cooperatives. But there is another dimension which realization of surplus value, which has to do with retention of relative price. Here even cooperative structure can hit the dead end. The eventual solution lies in socialization or nationalization of property in general, redistribution of value. All solutions that take place under capitalist relations are temporary and incomplete. We hope these

articles helps in building our understanding to think further.

**RV Ramana Murthy, SA Vidyasagar,  
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20<sup>th</sup> February 2018

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*Photograph:* Anupam Nath / AP. Borrowed with gratitude from the Guardian, 1<sup>st</sup> June 2010.



# Transition in Indian agriculture: What does the data tell us?<sup>1</sup>

(Basole and Basu)

*Basole and Basu set out to understand the nature of exploitation of labour and appropriation of surplus in the Indian economy. Given the transitional nature of the Indian economy from feudalism where the appropriation and exploitation is direct, to capitalism where it occurs in a totally concealed manner, through the institution of wage labour, assessing the nature of exploitation becomes crucial to understand the political and social implications. Can this assessment be purely theoretical? Basole and Basu argue that it has to be empirical. They examine some key structural features of Indian agriculture to arrive at an assessment. For them, focus on agriculture and informal industry is crucial because most scholars agree on the prevalence of capitalist relations of production in the 'formal' sector. Such an empirical assessment, they note is important to assess the character of capitalist development in India.*

*How do they undertake this assessment? They build their argument on the basis of NSS data, from different rounds, both at aggregate level and also at the state level, related to agrarian structure, employment, tenancy, credit, and sources of income of the working masses in agriculture. Each of the following sections discusses in detail what such data suggests about capitalist transition in agriculture in India. The authors examine the class structure at the all-India level on the basis of the following factors: size of landholdings; ownership at the state level; types of tenancy; owner-tenant relationships; extent of landlessness; sources of livelihood in the rural areas; surplus accumulation; nature of dominant class.*

## **1. Decline in the share of Agriculture in the Indian Economy**

A typical modern capitalist economy experiences what economists call 'structural

transformation', constituting a) declining share of income from agriculture and b) decline in workers dependent on agriculture in the national economy. In India, the first part is achieved, leaving a huge gap in the latter. The share of agricultural GDP declined sharply from 56% in 1950 to about 14% in 2011 owing to the relative faster growth of the non-agricultural sector. As a result, agriculture as a sector as a whole commands far less economic power. Yet, the share of labour force engaged in agriculture came down from 68% to only 49% during the same time. Such a large workforce still engaged in agriculture reflects, Basole and Basu note, lack of opportunities outside agriculture.

*The share of GDP contributed by agriculture has steadily declined over the last five decades; this decline has not been matched by a decline in the share of the workforce engaged in agriculture. This renders large section of rural workers confined to low productive work and low income.*

## **2. Increase in the number of marginal and small farmer households:**

What is happening to those engaged in agriculture? Normally, with capitalist transition, one may expect, though it is not certain, an increase in average landholding size. Contrarily, in Indian agriculture, the average size of ownership holdings has declined from about 2.01 acres in 1961 to 0.81 acres in 2003. Same pattern of monotonic decline is also observed in operational holdings.

Next, they look at changes in agrarian structure in terms of holding size. NSS classifies agricultural holdings into five

categories, namely, marginal farmer as one holding land less than 1 hectare, small 1-2 ha; semi-medium 2-4 ha; medium 4-10 ha; and large as holding more than 10 ha. In the last 60 years, among these size-classes, the proportion of marginal and small households has increased steadily from about 75 percent of all rural households in 1961 to 90 percent in 2003. This rather large increase in the share of marginal/small farmers has been matched by a steady decline of large, medium and semi-medium farmers. Large and medium farmer households together comprise a minuscule 3.6 % of total rural households in rural India today, down from 12% in 1961. Between the decline in the share of large landholding families and the increase in the share of marginal farmer families, the "small" farmer family has managed to more or less maintain its share constant over the past five decades, increasing marginally from 9 percent to 11 percent of all rural households between 1961 and 2003.

*The average size of agricultural holdings, both ownership and operational, has seen a steady decline over the last five decades, with the average ownership holding in 2002-03 being 0.73 hectares.*

## **3. Increase in the area owned by small and marginal farmers**

They point out that the area operated by these respective size classes also shows similar trend. The share of total area owned by marginal and small farmers has steadily increased from 8 percent of total area in 1961 to about 23 percent in 2003. The share of area owned by large farmer households declined from 28 percent in 1961 to about 12 percent in 2003; the corresponding share owned by "medium" households declined from 31 percent in 1961 to about 23 percent in 2003. Caught between these two trends is the semi-medium farmer family which has kept its share in the total area owned more or less constant since 1971 at around 20 percent.

*The share of land owned by large and medium holding families has steadily declined over the last few decades from around 60% to 34% which indicates their declining economic, social and political power in rural areas. The share of marginal, small and semi-medium holdings has increased from around 31% to 80% indicates proliferation of a large class of powerless petty landowners.*

#### 4. Continuing inequality in ownership of land

This changing structure of land ownership, they point out, has not made distribution any more equitable. The Gini coefficient, a measure of inequality, of ownership distribution, from being 0.73 in 1961-62, remained the same, marginally increasing to 0.74 in 2003 (GOI, 2006). Even the average size of the large holding is about 67 times that of the marginal holding in 2003; 27 times that of medium holding. This occurred due to the simultaneous reduction in the size of the small landholdings along with the large landholdings.

Such a skewed distribution of land ownership of course in itself, they note, is not very useful to understand the dominant relations of production and modes of surplus extraction most in use. A feudal mode of production can have as much skewed distribution as a capitalist mode of production. While it is true that class power and landholding size need not exactly match, it still may serve as a useful to approximate the class power, because those who have larger holdings also are likely to own more animals, implements, & machinery. Hence size classes can be taken to as a proxy for class power.

*The ownership of land remains as unequal as it was five decades ago which indicates that the class dominance also has remained the same.*

#### 5. Which states have larger number of large landholdings?

State-level comparisons are essential, given the wide variation in historical and geographical conditions in India. For analytical convenience, Basole and Basu divide all the states into two groups. The first group consists of those with largest share of area by large farmers. Such "large landholding states" are: Andhra Pradesh, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Punjab, and Rajasthan. The second group of states are those with a relatively small proportion of area held by large farmers or the "small landholding states": Assam, Bihar, Himachal Pradesh, Jammu and Kashmir, Kerala, Orissa, Tamil Nadu, Uttar Pradesh, and West Bengal.

As also suggested by micro-studies, the first group of States with large landholding is also associated with a relatively higher growth of capitalist relations of production in

agriculture; the second group consists of the states which are still encumbered by remnants of pre-capitalist modes of organizing production. But even here, there has been a decline in the share of land owned by large farmers. This suggests that the economic position commanded by semi-feudal landlords appears to have declined relative to the rich middle peasants and capitalist landlords at the national, state and regional level. The semi-feudal landlords seem to have been replaced by rich middle peasants as the ruling bloc in the agrarian structure of contemporary India.

*More developed and big (irrigation and income wise) states have less fragmentation of holdings, like Andhra Pradesh, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Punjab, Rajasthan. However, states like Assam, Bihar, Himachal Pradesh, J&K, Kerala, Orissa, Tamil Nadu, Uttar Pradesh and West Bengal have more fragmentation.*

#### 6. How many people continue to be landless?

Proletarianisation, an important indicator of development of capitalist economy, is reflected in extent of landlessness. According to (NSSO) data, the extent of landlessness in Indian agriculture has stayed more or less constant over the last five decades: at 11.7% in 1961 which marginally declined to 10 % in 2003. If those owning land less than 0.2 ha are added, it stands at 44% in 2003, if one uses 0.4 ha as a threshold, then it increases to 60 %. The poorest rural households, who are effectively landless, own only 6 percent of the land used for cultivation. Largest share of landless households are prevalent in Himachal Pradesh, Maharashtra and Karnataka; and the smallest share in states like Jammu & Kashmir, Kerala, Punjab, Rajasthan, Uttar Pradesh and West Bengal.

The relative share and absolute number of cultivators in total agricultural workers has been decreasing in the past one decade. At all India level, the number of cultivators, which increased between 1961-81 from 79 to 121 million, remained constant at 125 million between 1991 and 2001, but reversed during 2001-2011, to fall below 102 million for the first time suggesting about 23 million cultivators have quit agriculture 1991-2011. A fall in cultivator number should mean they are diversifying either into non-farm sector as producers of various kind or workers.

*Effective landlessness (by including those who have 0.29 ha or 0.73 acres) is quite large to an extent of 60 % in 2002-03.*

#### 7. Declining tenancy:

Growing landlessness may not itself suggest proletarianization when tenancy is widely prevalent. There are after all, two different ways in which the surplus labour is appropriated by the ruling classes, one directly as wage-labour and second indirectly as land rent. The first source is clearly associated with capitalist relations, while the second could be associated with semi-feudal methods of surplus extraction.

Aggregate level data from NSSO (and also from Agricultural Census) suggests a sharp decline in share of tenant households, from 25% in 1971-72 to 12% in 2003; the percentage of area leased in total area owned has too declined from 12% in 1971-72 to 7% in 2003. Such decline of tenancy is also observed for operational holdings.

The share of operational holdings with partly or wholly leased-in land has fallen drastically from around 24% in 1960-61 to 10% in 2002-03. In terms of the total area operated, the percentage share of area leased in has declined from 10.7% in 1960-61 to 6.5% in 2003. This indicates a gradual shift from tenant cultivation to self-cultivation.

Among size classes, while there is an increase in share of large tenancy holdings, which increased from 9.5 % to 13.5% during 1961-2001, but area leased-in by them declined from 8.3 to 6.1 %. For all other classes, shares of tenancy holdings in total holdings and their respective shares in land leased-in also declined.

How consistent is this trend across states? The states with area under tenancy increased are Andhra Pradesh, Gujarat, Orissa, Kerala, and Punjab. Except in Punjab, the area is less than 10 percent. In all other states, the share of tenant holdings and area is leased has significantly reduced. This means that tenancy is increasing in states where the hold of semi-feudal relations is already weakened.

*Share of tenant holdings, as per the NSS data, declined drastically in the last five decades, area from 24 to 10 percent. The area under tenancy also drastically declined. While sharecropping – that house pre-capitalist relations held on, in the other areas fixed rent contracts reflecting commercial character is on rise.*

## 8. Are current forms of tenancy feudal or capitalist?

Thus, states which are usually considered to be the bastions of semi-feudal and pre-capitalist production relations are not the ones which have the highest prevalence of tenancy, with the exception of Orissa. It seems, therefore, that the development of capitalism in Indian agriculture has peculiarly used tenancy and other forms of pre-capitalist relations of production as means of reducing the costs of production and controlling labour.

Further, in order to understand the nature of tenancy, one should look at types of tenancy contracts. Fixed cash or kind rent which indicate more capitalist relation; whereas sharecropping can involve semi-feudal relations. As per the NSS data, area under sharecropping has not changed much over time which stood at around 40%, while informal commercial leasing on kind and cash rent has increased from 38 to 50 % during 1961-2003.

In Haryana and Punjab, which have the largest share of leased-in land, the predominant type of tenancy is fixed money lease contracts. Poorer states like Assam, Bihar, Orissa and Uttar Pradesh, have sharecropping as predominant form of tenancy contract. This difference is important because the form of tenancy is radically different in the two groups of states.

In states like Punjab and Haryana, tenant cultivators are not the landless and poor peasants; it is rather the middle and rich peasants who lease-in land to increase the size of their agricultural operations and reap some economies of scale on their capital investments. Fixed money rent form of tenancy is no indicator of pre-capitalist relations, but is very much a capitalist development in agriculture. In states like Bihar and Orissa, on the other hand, tenancy is still predominantly of the old form, where the largest group of lessees is landless and near-landless peasants. In such a scenario, sharecropping operates as a semi-feudal mode of surplus extraction, where land rent can be considered pre-capitalist rent.

*Tenancy in certain states is capitalist, where the landed peasants lease in land to reap economies of scale on their capital investments. In other states, tenancy is in the old form where it operates in the*

*semi-feudal mode of surplus extraction and is pre-capitalist in form.*

## 9. Wage labour and family labour: which is feudal and which is capitalist?

Sources of income in self-employment category include implicit wage for family labour, proceeds from trading and finance. All these reflect capitalist relations (mainly variations on the putting-out system), but are of different nature; hence non-wage income can often mask the underlying capitalist relations.

Similarly, wage income can often mask prevalence of 'unfree' labour relations. Many of these "unfree" relations, for example institution of annual farm labour, are created by capitalism and are not relics of a pre-capitalist past. In addition, often the same individual participates in several types of economic activities, requiring us to distinguish between wage and non-wage income at micro-level. With these caveats, Basole and Basu proceed to study the sources of rural income since the aggregate level distinction between wage and non-wage income still has important clues to offer about the relations of production in India.

With a preponderant share of petty commodity producers among those in agriculture who derive their income from farm activity as well as wage labour, it is important to look at sources of income for farm households. Which is the dominant source? A predominance of wage income would suggest an increasing proletarian character; but a continued dependence on income from cultivation would suggest an unclear story. At the same time non-wage income source need not imply pre-capitalist relations.

*Small agricultural holdings are unviable, dependence on these keeps the rural households in perpetual indebtedness and pauperisation.*

## 10. Which is more: wage income or income from cultivation?

Small size of the holding, which is a serious problem in India, generally leads to low farm income. Existence of the ground-rent barrier, lack of formal credit, dwindling rural public investment, eroding irrigation and exploitative input markets all contribute to this low income. As data indicates, the average profit per hectare from cultivation

(excluding value of family labour or rent of owned land), was Rs. 6756 for Kharif and Rs. 9290 for the Rabi season in 2003. Such low level of income compels most rural families to supplement incomes through wage labour with petty commodity production in both agricultural and non-agricultural sector.

NSS data on different sources of rural income by the size-class of ownership holdings suggests that, first, it is only among the rural families with more than 4 hectares of land total farm that income exceeds average expenditure. If one remembers that 96% of rural households owned less than 4 hectares in 2003, farm incomes for 96% of rural households come from cultivation, wage labour and petty production. Second, for a large majority of 60% of farm households, the primary source of income is wage income, not cultivation, which provided more than 50% of their total monthly income in 2003. Landless households anyway depend on wage income. Third, income from petty commodity production accounts for 20% of the total income for about 80% of rural households in 2003.

Thus aggregate level data suggests that wage income has become the most important source of income for the majority of the rural population. This implies that surplus extraction through the institution of wage-labour has become the dominant form of extracting the surplus product of direct producers. Income from petty commodity production being as low as 20% indicates the exploitation of this large section by merchant capital through unequal exchange.

*In spite of large number of rural families owning small parcels of land, their major source of income now is wage income, almost up to 60%. Only 20% of their income comes from cultivation, which reflects the exploitation in agricultural markets. The rest 20 % is from other petty activities.*

## 11. Why do informal and formal credit services decline or increase?

Unregulated informal credit market operated by usurious capital gets a larger share in surplus labour without participating in its generation hence is necessarily parasitic. Informal credit often operates through inter-linkages in product and labour markets, which facilitate extraction of surplus through unequal exchange. It is the small peasantry which is often the biggest victims of these.



Has the share of those dependent on informal money-lender class really changed?

NSS rounds suggest that the share of total rural credit provided by moneylenders declined substantially between 1961 and 1981 from 70% to 18% of total credit. This is a huge decrease! However, money lenders seem to have made a comeback in 1980s. Their share went up to 28%. A new class of moneylenders replaced older class of landlords. Now various groups of the rural population, like traders, school teachers, government servants, lawyers, rich farmers, and other members of the petty bourgeois class, have entered this lucrative business, facilitated by the gradual but steady retreat of formal credit institutions.

Among the states, other than five states of Punjab, Rajasthan, Assam, Bihar and Andhra Pradesh, all the other states have a higher proportion of formal credit in 2003. Second, some of the states with relatively well developed capitalist agriculture like Punjab, Andhra Pradesh and Tamil Nadu also have a higher prevalence of informal credit. In Punjab, for instance, one of the main players in the informal credit market is the trader-middleman known as the *adtidar* or the commission agent who often provides credit, sells inputs and also procures the output from the farmer. This typical pattern of interlinked markets allows the surplus product to be easily extracted from the direct producer through unequal exchange whereby input prices are inflated and output prices depressed. Interestingly, West Bengal, which has had some limited degree of land reforms in the past, also shows a high percentage of non-institutional forms of rural credit.

*There is a reasonably high growth of formal credit market, which caters to 70% of farm investment. While this disproportionately goes to large and medium farmers, smaller peasants remain dependent on informal moneylenders.*

## 12. Capital formation or investment in agriculture

An important question relating to the development of capitalist relations of production in Indian agriculture is whether there has been any significant trend towards reinvestment of surplus and capital accumulation in the agrarian economy. Lack of capital formation in agriculture would indicate production relations hindering the

development of productive forces. Aggregate level data on gross capital formation in Indian agriculture shows interesting temporal patterns. The gross value of capital stocks has more than tripled in real terms (1993-94 prices) over the last four decades, moving from Rs. 63,000 crore 1961 to Rs. 1,90,000 crore in 1999.

For the period 1961-99, gross capital formation in agriculture (GCFA) grew at about 3% per annum, a significant rate of growth by developing country standards. GCFA grew at 5.05% in 1960s, 8.7% in 1970s; thereafter, it slowed down at -0.33% in 1990s. It again picked up to 2.8% in 1990s. The slowdown in capital formation is largely due to deceleration of public sector capital expenditures in agriculture. Since 1993, however, the private capital expenditure, increased at a whopping 16.7% (Gulati and Bathla, 2002). The data suggests two things, investment or capital formation in agriculture significantly increased in 1970s and 1980s, spearheaded by the state investment. After the reforms, a decline in public investment is more than outweighed by private investment in agriculture.


*There was a significant capital accumulation in the agricultural sector during the 1970-90s that enabled a long term growth of output at growth rate of 2.7%. This capital formation was led initially by public sector share, and then by private investment after 1991.*

Over the past few decades, the relations of production in the Indian agrarian economy have slowly evolved from “semi-feudal” towards “capitalist”. The predominant mode of surplus extraction seems to be through the institution of wage-labour, the defining feature of capitalism. Articulated to the global capitalist-imperialist system, the development of capitalism in the periphery has not led to the growth of income and living standards of the vast majority of the rural population. Two main forms of surplus appropriation from producers seem to exist (a) through wage-labour, and (b) unequal exchange value appropriation from petty producers through interlocked markets with monopolistic institutions. The process of class differentiation is slowed down in the long chain connecting Indian economy into the global capitalist system, which sustains a large “informal” production sector, organised by petty commodity production, both of

agricultural and non-agricultural commodities. Preponderance of this class impedes development of proletarian class consciousness and complicated the task of revolutionary politics.

## Note

1. Summary of Amit Basole and Deepankar Basu, “Relations of Production and Modes of Surplus Extraction in India: Part I Agriculture” *Economic and Political Weekly*, Vol. 46, Issue No. 14, 02 Apr, 2011.

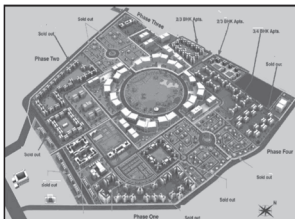


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# Agrarian Conditions in Telangana and AP: Summary of Observations

■ R V Ramana Murthy

The states of Telangana and Andhra Pradesh, existing as one state Andhra Pradesh during 1956-2014, in spite of its uneven nature, underwent considerable transformation in the six decades. There are several microlevel studies in the literature like Carole Upadhyay (1988), Krishna Rao (1984), Niranjana Rao and D Narasimha Reddy (2008), Ramachandran VK, Madhura Swaminathan and Vikas Rawal (2009) and Vidyasagar SR (2013) that have brought out evidence of changing agrarian conditions of production in the rural Andhra Pradesh. There is a growing consensus over the fact that relations of production in the state are evidently capitalist. Some studies are explicit in this conclusion and some implicit. Given the paucity of macro data on crucial aspects of agrarian conditions, there is however, a need for many more studies to confirm certain major trends and this study contributes in this direction. We have seen Basole and Basu (2011) have come up with some important observations over agrarian structure, tenancy, credit, capital formation, wage labour etc to examine the dominant mode of surplus accumulation. The authors concluded that compared to five decades ago, the dominant mode of surplus extraction is production for profit exploiting wage labour. The present study is undertaken examining the production conditions and relations, with an additional objective of understanding how rural households cope with the distress and level of income generation across size classes. The field work was undertaken in the year 2013, (the study is published in 2015), by interviewing 1087 households in seven

villages in erstwhile combined Andhra Pradesh. Seven villages are drawn from three regions, namely, Telangana, Coastal Andhra, and Rayalaseema. Information is collected over size of holdings, production, costs, investments, returns, prices, non-farm activities, employment, and welfare benefits received. I shall summarize the major findings of the study in the following.

Regarding land ownership, the study finds that the number of households with some access to land is about 95 percent. If one considers sub-marginal households (owning less than 0.4 acres), the effective landless households is about 25 percent in the sample villages. Among 75 percent landed households, 46 % are marginal farmers, 20 % are small farmers, 19 % semi-medium farmers, 13 % are medium farmers and 2 % are large farmers, following the NSS classification. Among these effectively, 85 percent farmers are *petty commodity producers* (defined as those own relatively smaller parcel of land and depend on family labour for farming also hire out as wage labour for farm as well as non-farm activities). Thus even these appear as land owners, but in substantive terms they workers. The remaining 15 percent landed households, constituted by medium farmers owning 10-20 acres and large farmers owning more than 20 acres of land, are clearly capitalist farmers, who have the capacity to earn profits in farming by exploiting wage labour. Such classification expects a process of class differentiation as well. Thus as witnessed at

national level, the micro data too suggests an expanded Kautskian predicament of large petty commodity producers looming large in agriculture.

Holdings in agriculture are becoming fragmented from above. Small holdings emerge from below and from above. Some previously landless labourers purchased land, as happened until two decades ago. Holdings from above are getting fragmented through property mutation. These two processes are making increasing number of marginal, small and semi-medium farmers. The share of medium farmers share declined moderately and that of large farmers declined drastically over time. Medium and large households are selling part of their holdings, and leasing out the rest or growing orchards.

Landlessness is generally higher in Coastal Andhra villages (particularly in canal irrigated ones), in Telangana and Rayalaseema villages it is less. All villages that have dry land or well irrigation, have lower share of landless labour, are increasingly depending on mechanisation.

An upcoming dominant feature in these villages is the phenomenon of rising tenancy, that began to be seen in different states of India in the past one decade. Tenancy is dominant in villages which have assured irrigation. Small, marginal and landless households are leasing in land in the tenancy market on fixed rent. Cash rents exist where cash crops are grown and kind rent is preferred in paddy growing villages. Non-cultivating households in villages are on the rise, who own land that they lease out, who diversify into other activities. Sharecropping is observed only in one village whose irrigation sources are fully rainfall dependent. In contrast to Basole-Basu study, which observes data only till 2003, this study notes a rising trend of tenancy. But I confirm their view, this tenancy is capitalist in nature.

It is observed that production is essentially for market. Except for small and marginal farmers who keep a third of the produce for home consumption while selling the rest in the market, all other categories of farmers sell 90 percent of their produce. Those who produce cash crops sell the entire crop. Thus, general commodity production, a necessary condition for capitalist relations of

production, is the dominant feature. Even the petty producers who constitute 85 percent in number, command 65 percent of total production, contribute a surplus of 75 percent production to the market. This suggests that production has become predominantly general commodity production, a certain characteristic of capitalist transition.

There has been a significant crop diversification in the past two decades. There has been a shift in the area from food crops to non-foodgrain crops. The traditional crops have disappeared totally. I have observed that peasants aim for self-sufficiency with respect to family needs, and also strive to produce for the market to earn cash revenues.

Substantial investments in pump sets, tractors, rotovators, sprayers, sprinklers, and borewells are made by almost all classes of farmers. Tractors and harvesters are available on lease in all villages. Thus operations are getting mechanised, except weeding, especially in non-food-grain crops. Knowledge systems of agricultural production remain informal and unprofessional among petty producers, while medium and big farmers are much more professional. Capital formation on average ranged up to about Rs.1.5 lakhs per acre. Farmers have regular access to commercial banks with an average crop loan of Rs.15000 per season and they also raise loans from private money lenders for production as well as consumption purposes. The credit share of banks of farmers in general is about 52 percent. Institutional credit has a size bias. However, petty producers are now provided 25 percent of their credit through women SHGs. The tenant farmers are not covered by the institutional credit, and are forced to rely on private lenders. While instrumental rationality of farming class even in the lower order appear to be well attained, but reproduction of social relations has become more expensive.

Canal irrigated areas enjoy subsidised irrigation. Dry land farmers had to put a greater share of private investment, while state has provided rural electrification. The average use of fertilizers is about 256 kilos per acre. All inputs, including seeds are purchased from market. It is about two or more decades since relations of production turned dominantly capitalist.

There is a considerable capital investment on pumpsets, tractors, rotovators, weeders, sprayers, pesticides, fertilisers, sprinklers, micro-irrigation. Harvesters, tractors and other mechanical tools are available in lease market for every size class farmer, which are widely used. The rational response to cost escalation is visible in adoption of mechanization.

The field observations revealed that medium and big farmers enjoy higher yields, lower costs and greater profitability. This is found to be the case for most crops such as paddy, maize, cotton, turmeric, and sugarcane.

The study found that average profitability for 9 crops is positive only over simple paid-out costs (without considering rent on own land, interest on fixed cost and family labour) of owner-cultivators. But once family labour and rent paid is accounted profitability became marginal or zero for most crops except for turmeric, which is a high value commodity. When rent on own land, interest on fixed capital and 10 percent margin profit is considered, the gross profit would become negative. However, profitability is marginally better for medium and large farmers. The average annual return per acre for paddy is found to be Rs.12000 per annum, Rs.10000 for cotton, Rs.9000 for maize over paid out cost+family labour. The profitability tends to be below the market rent, which makes leasing, if available, a rational option. Thus the present conditions appear to give extremely poor returns to the farmers. Farming has lost the ability to sustain the farmers. Petty producers, who supplement their incomes with wage income and use family labour to a considerable extent, appear to carry the agricultural sector. The study found that agriculture supports only 45-55 percent of household income in villages. The rest of the income is earned from non-farm activities. However, this static picture apart, occasional windfall profits also sustain the optimism of the peasants, which wears off gradually. Intense competition among the farmers does not appear to allow any long term gains, market prices tend to eliminate any profitability, keeping the peasantry earning a bare subsistence.

The returns of sugarcane over paid out costs as well as full costs are positive for small

farmers and large, while negative for marginal, semi-medium and medium farmers. The sugarcane cultivation gives about Rs.25,000 average return over full cost with an average 20 tonne yield.

Tobacco, with a yield about 5-9 quintals, returns about Rs.22,500 net per acre for a medium and semi-medium farmer; 3,500-7,500 for marginal and small farmer over paid out costs. Returns fall to Rs.6,000-9,000 per acre over full cost. Turmeric, cultivated in selected pockets, brings handsome returns of Rs.54,000-68,000 per acre. Thus regional and class differences exists in accumulation.

On average in poor agricultural households, men work from 21 to 10 days on their own farms, depending on size class. Women work about 42 to 19 days per annum on their own farms. Aggregate employment (on own farm and hiring themselves out) decreases over size class. Petty producers also hire in labour during the peak operations. Finally, they hire themselves out as wage labour. Average wage employment 73 days for men and 103 days for women. Aggregate (own farm + hired out) employment on average is less than 100 days for men and 150 days for women. Attached labour (on an annual contract) is very expensive and seldom exists. This indicates two things, first increased feminisation of agricultural employment and second, low employment availability, as suggested by several studies. Mahatma Gandhi National Rural Employment Guarantee Scheme in the study villages reportedly provided 45-80 days of employment. MGNREGA employment is sought by small peasants as well as landless labour. The crisis of unemployment is always round the corner.

The average wage rate for a male in agriculture in normal times is Rs.220-250; Rs.175-225 for female labour. Peak wage is in a range of Rs.300-350 for male and Rs.200-300 for female. We see a trend of rising wage rate on one hand and declining employment availability on the other, probably the latter is a response to the former through mechanization.

The average rural family business income ranges between from Rs.1,07,222 for marginal

-semi medium farm households and Rs.3,00,000 for medium-large farm households. Thus is a definite process of class differentiation is also in place. More importantly, there is a considerable diversification of income from farm to non-farm activities among rural households. Roughly, 45 percent of income is derived from non-farm activities. While, the family income of marginal-small farm household income appears to be higher than the official poverty line given by the Planning Commission, 75 percent are still poor under the international norm of \$ 2 per day.

Interestingly, most rural households receive welfare transfers from the state. At least six to seven schemes directly transfer welfare benefits in kind and cash to 90 percent of rural households in the state: e.g., the public distribution system, employment guarantee, pensions, scholarships, mid-day meal, and health insurance. The average transfer to a rural household by a conservative measure is about Rs.19000 per annum, and the poorest receive about Rs.23000 per annum.

Kalyan Sanyal (2007) and Chatterjee (2009) have argued that the Indian state executes a Polanyian 'double movement', mitigation measures against the poverty of rural households, the liberal democracy over period has compelled to design efficient welfare transfers. In our observations we have noted several welfare measures, like public distribution, pensions, MGNREGA employment, mid-day meals, health insurance, microfinance loans, etc., are implemented with reasonable effectiveness in the State. Small differences that may exist between the two states of Telangana and Andhra Pradesh in welfare measures are more due to differences in administrative efficacy. There is no resistance to these from big landlords. The changing agrarian structure and social change has something to do with this. The relations of production are organised entirely through market mechanisms, the nature of these production relations is more obvious than ever before.

### Conclusion

The generalised commodity production, wage labour, dominating production for

market, crop diversification in attempt to earn cash revenues, gradually growing mechanization, capitalist tenancy markets found by this study, as done by others strongly suggest a definite capitalist transformation. When it comes to question of increasing small holdings managed by petty commodity producers, low and falling returns, significant indebtedness, occupation diversification by farmers in general and wage income by petty producers suggests trends Kautsky has elaborated in his work. While 19<sup>th</sup> century capitalism itself did not eliminate the small peasantry in advanced capitalist countries, as Kalyan Sanyal, Bernstein, Akram Lodhi-Kay suggested, it is impossible to do so in the case of post-colonial 20<sup>th</sup> century capitalism. The growing capitalist nature of production makes more and more surplus labour in agriculture, with people who exist or undertake temporary migration to urban spaces. This is the condition of capitalism in periphery. The bourgeoisie in India are possibly too aware of this condition, and make welfare transfers to mitigate the survival crisis for the petty producers and the proletariat. This study brings evidence to this effect. Particularly, after the introduction of neoliberal reforms, the farm sector appears to be exposed to naked market forces without an effective safety net intervention for most crops. This is making big and middle level farmers to quit and lease their lands while small and marginal farmers to hang on rather than to join the reserve army. The locus of surplus appropriation has moved out of farming, subjecting it to indirect exploitation of the sectors' labour belonging to petty producers. In my opinion, the existence of small holdings, growing tenancy and agrarian distress are not a sign of crisis imposed by 'semi-feudalism', rather this crisis created by developing capitalist relations, where a *rentier* class that exists in the form of landlords, commission agents, traders, fertilizer and pesticide suppliers, money lenders, manages to squeeze the surplus from the exchange process, driving their subjects to precarity.

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**Crisis or opportunity?**

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# Land or Labour? The Predicament of Dalits

■ S A Vidyasagar

Even during the colonial period, dalits waged several struggles against the social and economic oppression of the caste society. Dr. B.R.Ambedkar took a leading role in these struggles and fought for the cause of dalits. Consequently, colonial rulers made some corrective steps to improve the condition of dalits. The post-Independent state took several steps of affirmative action, mostly in education and job opportunities in government jobs. The preamble of the Constitution of India in its Directive Principles explicitly stated to bring social and economic equality in the country. This should apply to land ownership also. In the entire land reforms acts and land redistribution program, some land transfer is expected in favour of dalits or Scheduled Castes as referred. There are 59 officially recognised Scheduled Castes in State of Andhra Pradesh. They constitute 10.91 percent of population, roughly the same at the national level. They do not even own 1 percent of arable land in the state or in India. In this article I would present my observations on the efforts of Indian state in providing land to Dalits, who were deprived of land for ages, even the meager extent to which it provided what kinds of lands that they were, how caste society thwarted every attempt of dalits to bring them under cultivation, forced to transfer some of these lands back to themselves. I will also shed some light on struggle of dalits to escape the clutches of obnoxious annual farm servant system in agriculture in their course of migration to urban opportunities. I present these from the field study undertaken in Srikakulam district of Andhra Pradesh state in the period 2005-10.

As Ambedkar rightly observed that proletarians in Indian society existed by social sanction. In his words, "An

untouchable must not own and cultivate land and lead an independent life. For his livelihood, he must depend upon stale remnants of food left over by the Hindu households and upon meat of cattle that die in the village. These remnants of food he must collect from door to door. For, he must go on his begging round every evening." (*Essays on untouchables and Untouchability: Social*[www.ambedkar.org](http://www.ambedkar.org))

Daniel Thorner, an American political economist, in 1955 also commented in his lectures at Delhi University that "the rare Chamar, Mahar, Panchama or other untouchable who prospers economically and attempts to secure a foothold for his family buying land may find insurmountable obstacles in the way of purchasing" (*The agrarian prospect in India: Page 11: Daniel Thorner*). It was hoped that abolition of *Zamindaries* as intermediaries as the major land reform would transfer the land to the actual tiller, it was never recognized that there is another layer of intermediary in the name of 'recorded tenant' who usurped all the land, than the actual tenant who is the real tiller. Thus Abolition of Intermediaries Act has created the rich peasantry in India. Land that is distributed hardly reached the dalits, who were the bottom fraction of the tillers. Social and economic oppression continued in society.

## Implementation of Land Reforms:

In several budget speeches and official documents on land administration, it is stated that Government has the intent to transfer uncultivated lands to dalits since 1970s. Amidst several contradictory statistics, we learn that about 24 lakh acres of banjar land, de-reserved forest land were to be distributed to dalits. However, by 1980s, no such

proclamations to be found in the budget speeches. During late 90s, the government declared that the poverty and development of Dalits is linked to education. Hence, focus is shifted from the land to education.

As per State level records, by 1972-73, only about 70,329 acres of land were identified as surplus, there were at least 10.5 lakh dalit households, on average they could have received 0.33 acres. Subsequently, in 1981-82, a total banjar land to a tune of 5.85 lakh acres had been distributed, among 4.58 lakh beneficiaries. Dalit beneficiaries were 1,88 lacs in number, and got land of 2,32 lakh acres, which means an average 1.23 acre to each. Thus some marginal farmers, by ownership are created by fiat at best (*Source: Paper on land revenue administration- a historical outlook: Shri C.Umamaheswara Rao, I.A.S, Commissioner, AMR-APARD*)

Further, much of the land distributed is ridden either with legal dispute or unfit for any active cultivation. They neither obtained any institutional loan to improve these lands nor had any sufficient savings from the subsistence wages they earned. Eventually, many have sold off their lands to upper castes. An upper-caste individual even triumphantly remarked, "Can the Dalits keep their lands? They are too lazy to do field work." Indeed, the peasantry castes who earned their profits from the surplus labour of Dalits, conveniently forget the source of their own wealth.

In fact, in all the villages I studied, majority of lands were alienated from Dalits. The land distribution program thus has worked as indirect means to transfer land to rural rich peasantry. The Agricultural Minister of Andhra Pradesh, Hon'ble Raghuvveera Reddy declared, "so far in Andhra Pradesh, the government distributed 46 Lakhs acres to the landless. Almost 1/10<sup>th</sup> of the land i.e. 4.35 lakhs of Acres were alienated. Some lands were sold by beneficiaries while some are grabbed. So far, the government had taken over 2.88 lakhs Acres." (*Source: Andhra Jyothy daily, dated 01/01/2013*).

## Not Even the Endowment Lands:

As it is common knowledge that there is substantial land under temple endowment. There were many struggles undertaken by dalits demanding state to either least or transfer to to them. But even these lands have gone peasant castes, but not dalits. I will cite a few examples to show how land transfers took place.

Ajjada in Balijipeta Mandal in Srikakulam



district, was traditionally a Brahmin Inamdari village. The Brahmins allegedly a century ago lost a gamble with the zamindar of Bobbili and lost 450 acres in the game. The zamindar refused to take the land, considering it as sacrilege and returned the lands. But the Brahmins refused to till the land.

Consequently, the zamindar dedicated those lands to their family God Venugopalaswamy and made dominant village peasants as trustees. After the abolition of Inamdaris, they lost economic and social control in the village and the rich peasantry of KoppulaVelama caste occupied those lands. Later they did not even pay the nominal rent to the state. They even managed to get ownership over them, started selling and distributing those lands among their kin. In the whole game, they have not considered to distribute even one cent of land to the Dalits of that the village.

After prolonged agitations and legal battles, the Dalits of SebilliPeddavalasa and Kitchada villages could get some of these lands. The expert committee of the Planning Commission recommended 22 years back, "*Where lands with religious and charitable institutions are leased out, at least, 50% should be earmarked for Scheduled Castes agricultural labour on mutually fair terms.*" (Quoted in *National S.C. Commission report 1994-95*). The Finance Minister of Andhra Pradesh in 1971-72 budget speech told "*Certain other measures such as leasing out of lands of various institutions to the landless poor on a preferential basis....*" (Source: *Andhra Pradesh Budget speech 1971-72*). However, neither the recommendation nor the implementation saw the light in this district.

As per the Endowment Department, in Srikakulam district, endowments lands constitute about 22,649.56 acres and 190 shops. At present, only 11,201 acres remained on paper and 116 Dalit families were tilling less than 250 acres. The official explanation is dalits could never remit the deposit money to participate in auction process. Thus dalits neither got a share in lands illegally occupied nor legally leased out. According to the Deputy Commissioner of Endowment in a recent interview to the press told, "In North Andhra, 55,000 acres of land were under the name of the department and out of these, 8,000 acres were occupied." (: *Eenadu, Srikakulam edition, 10/5/2012*). For sure, it is not Dalits who occupied those lands.

Even at the national level, the percentage of

Dalit cultivators was decreasing. As per the data of the National Scheduled Commission 2004-05, in the year 1961, the share of cultivators among Dalits was 37.76 percent in 1961 slipped to 22.08 per cent in 2001. In the state of Andhra Pradesh, the share of cultivators among dalits has fallen from 58 percent to 23 percent during 1981-2001.

#### **Land and Dalits: Some Instances**

The abolition of intermediaries, for Srikakulam meant the land power of three upper castes namely, Kshatriya, Brahmin and Velamas were replaced by upper peasant castes namely KoppulaVelama, Kalinga and TurpuKapu. Dalits did not get even an inch of land. In some villages, dalits got wastelands of 1.3 acres per holding, most of these too were alienated to upper castes. I would illustrate three case studies.

**Gopannavalasa** is a village in Merakamudidam Mandal where the Government distributed 6.76 acres of land to Dalits with TurpuKapu being the major peasant caste here. Toorpukapus objected this assignment on the plea that those were tank-bed. Revenue administration clarified that those were not tank-bed. Toorpukapus disputed that the land allotted to the Dalits receives the rain water first and it flows to the tanks, hence it is tank bed. Dalits began cultivating the lands. Meanwhile, the Turpukapus filed legal case. While the legal proceedings were on, two Dalit leaders of the village representing the cause were murdered. The assassins got the case squashed by the by the High Court. Dalits stopped claims on the land.

**Tolapiis** is a village in Ponduru Mandal where Kalinga caste was the major peasant caste. Government allotted 0.15 acres each to 39 Dalit families during the mid-70s where the Dalits tried to cultivate the land. Kalinga prevented dalits from cultivating the land given. In every harvest season, they used to drive their cattle to destroy the crop, until finally, the dalits stopped their cultivation.

**Konuru** is a village in Garividi Mandal where Kshatriya family owned almost 90 per cent of the agricultural land. They perpetrated violent dominance in the village, affecting everyone. To escape Ceiling Laws, they surreptitiously registered land on the name of dalits who were working as labourers in their fields. A dalit by name MajjiTamanna, got to know and protested and demanded the ownership of the land. Toorpukapus, who

were second dominant peasant caste, who were also victims of this domination of Kshatriyas, expressed their solidarity to Tammanna. Then this pushed Kshatriyas on back foot. Slowly, Toorpukapus began their assertion after their caste leader Sriramulunaidu became unchallenged leader under TDP rule. Unable to stomach their decline, Kshatriyas violently attacked the dalit locality after knowing MajjiTamanna went to administration to restore land registered to dalits on whose names it is registered. Thanks to an NGO 'Shodhana' which threw its weight behind the dalits, helped criminal cases registered against the Kshatriyas, put pressure on district administration to execute the land restoration. Changing political climate in the state also helped to ease the situation. But dalits for a long time did not dare to till those lands that were given to them. Kunuru stands as rare example where dalits eventually got access to small parcels of an extremely violent struggle. Afterwards, dalits refused to work for Kshatriyas, decided to migrate. Kshatriyas were forced to plant mango orchards which does not require much labour.

**Boddam** is a village in Rajam Mandal. PolinatiVelama is the major peasant caste here. During the late 70s, the government distributed 40 acres to 60 Dalit families who tried to cultivate the lands. The peasant caste people obstructed the cultivation and attacked the Dalits physically. The Dalits lodged a complaint in the police station at Rajam. The complaint was registered because the sub-inspector happened to be a dalit. Of course, nothing much happened and the lands remained uncultivated for long time.

**Dalaipeta** is a village in Komarada Mandal. Despite the best efforts of two Dalit I.A.S officers, the Dalits could not cultivate in the village. The Dalits occupied the lands under the banner of the then undivided Communist Party of India (CPI) during the early 60s. Actually, this land belonged to the Hill zamindar of Kurupam. The government had not conferred title to anyone on the land. Since it is rain fed land, dalits could not do much remunerative cultivation. During the late 1970s, Shri B.Danam, the then District collector tried to provide irrigation facility to the lands by planning to build a reservoir in Madalangi village only to channelize the water from Gummadigedda, a regular stream from the hill tracts. The villagers of

Madalangi objected to this plan on the pretext of inundation of the lands of their village. They went to the court and brought a judgment in their favour. Hence, the proposed project was shelved. Again during the early 90s, the then collector Mrs. Shri Radha sanctioned lift irrigation scheme and the water to be drawn from the river Nagavali. The Dalits had to manage it with collective efforts. For two years with a unity, the Dalits managed it well and reaped some benefits. The upper caste peasantry divided the community in the next general elections, by offering some positions to some and ended the cooperative scheme. Later, Lands became barren and 90 per cent of the Dalit families migrated to Chennai.

**Ponugutivalasais** a village adjacent to Rajaam, a Mandal headquarter. This village was under the jurisdiction of Santhakaviti Mandal. In the post 90s, Rajaam became an industrial town under the aegis of the world famous GMR group. In Ponugutivalasa village, the government distributed the lands to Dalit families during the early 70s. It was also a rain fed village and the land could not fetch the livelihood for them. To get rid of the debt burden, they sold away the lands at throwaway prices. A son of a rich peasant became a doctor during late 60s, and he emerged as a district officer in the health department. He bought majority of lands in the village. Now, because of the industries around, the land rates skyrocketed. To sum up, the rich peasant turned-bureaucrat reaped the maximum benefit from the land distribution.

Though it was peculiar to hear, in some villages, the government schemes had made the Dalits leave their lands. These examples present this peculiar outcome.

**Sirusuvada** is a village in Kothuru Mandal where Government allotted barren lands to 50 Dalit families, and they have toiled hard to make them cultivable. Then government took over some of this land to build houses for the backward classes. Some land was acquired to build a flood channel to Vamshadhara Phase II reservoir.

**Annavaramis** a village in Palakonda Mandal where Government allotted river poramboku lands to the Dalit families who also brought waste lands into cultivation. They even installed bore wells for the fields, planted cashew and mango groves in those lands, and reaped the benefits. In the year 1990, floods of

the river Nagavali inundated the lands. The government is still building a retaining wall to Nagavali, which would flood almost every year. In this process, all the lands of Dalits are swamped by the river and became unworthy of cultivation.

**Gochekkawas** a village in Parvathipuram Mandal. As mentioned earlier, the Mandal was 100 percent rain fed. Not only in Gochekka but in many villages of this Mandal too, the villagers had lost their lands to capitalist farmers. The capitalist farmers include the professionals of the peasant castes and settlers from other districts. It was one of the strange examples of the land alienation. The Dalits had sold the assigned lands to repay the debts that were caused by another government scheme. Government purchased the land from a Kamma settler through Scheduled Caste corporation and distributed two acres each in which cashew plantations were raised. Dalits benefitted from this land distribution. After 2009 elections, the government sanctioned houses under the housing scheme to Dalits, called Indira Awas Yojana. The amount sanctioned under the scheme was insufficient to complete the construction and hence they took loans. By the time of completing the houses, the mounting debt burden made them sell the lands to another Kshatriya settled farmer.

#### **Dalits and Attached Labour: Escape from Servitude**

The prominent labour system that prevailed possibly over century or more in Indian agriculture is the annual farm servant system or otherwise known as attached labour system. Here a labourer is given an annual wage is given as advance/credit, lead them into a debt trap by lending money at usurious interest rates, and thereby enjoy unfettered labour supply for a ruthless exploitation. There was no alternative to selling for labour for rural Dalits who never owned and cultivated any land. Since the agrarian labour was seasonal in nature, dalits had to opt for attached labour system as an insurance mechanism under starvation, as it includes daily provision of food. An attached labourer in Srikakulam is called *Kambari*, and elsewhere he is referred to as *Paleru*. Besides dalits, several other landless people of different castes also worked as attached labour in this district, while we can say Dalits constituted a dominant share of attached labour.

Rakesh Basant in his detailed study on the attached labour during the early 80s in India, observed "In so far as the socially and economically handicapped Scheduled Castes, scheduled tribes and other backward castes acquiring the bulk of the attached labour contracts, and their employers are large farmers the latter may be in a position to pay them lower wage rates and/or depress the effective wage rates for this category of workers by extracting longer hours or more arduous work. Further, he noted it adversely affects the wages of the casual workers by reducing their bargaining power. In other words, for an employment security, labour foregoes value disproportionately ('Attached and casual labour wage rates' by Rakesh Basant, *Economic and Political Weekly*, 3<sup>rd</sup> March, 1984 page:393). The employer gains unlimited capacity over fixing the labour power in the attached labour system.

During the early 70s, the kind wage paid was 180 kilograms of grain. The measurements were faulty. The employer though fed the attached labour three times a day, but always gave atrociously inferior quality food. Some rich peasants used lure the labour with 10 cents of land to the attached labour and the yield on that to be given to him. It maintained the dalit families barely above the starvation reserve, besides supplying the child labour for household chores of rich peasant. This child labour also were the cattle grazers, only to graduate later into attached labour. The wives of the attached labour used to work in the house as a house cleaner and in farmyard just to get some pickle for a meal at the end of the day. To put briefly, the total family of the labourer is attached to the rich peasant manor, a stable job to insure against an otherwise full level starvation.

During 1960-67, the then Communist Party of India and Communist party of India Marxist, CPI (M) tried to organize against the attached labour system in this district. But their influence was limited to few places in the plains areas and little more in tribal tracts. After that for a very long period during 1968-82, there was hardly any agitation opposing attached labour. The economic and social oppression of them knew no limits in the countryside. This exploitation went unchallenged for about three decades.

When asked them the reason for opting for such a hard and menial profession, a former attached labour aged about 80 years in

KanugulaValasa village replied "Hunger! We were famished. Even we had dreams about taking food. When we were going along the riverside, there were sand dunes. We always used to dream if these sand dunes could transform as heap of rice to enable us to eat voraciously."

The ushering of capitalist relations in the shape of transport, communication, education and electricity, etc had paved way for freeing these semi-serfs from the clutches of rich peasantry. The alternate employment opportunities that followed with the self-consciousness liberated them from the iron grip of rich peasants. The retreat slowly started during the late 80s in this district, and it reached its peak during the late 90s. By the turn of 21<sup>st</sup> century, attached labour had almost disappeared from the countryside. In fact, it was a decisive victory of the new opportunities over the outdated relations.

However, this disappearance of semi-slave labour caused heartburn in the medium and rich peasantry. When asked about the reasons for disappearance of this system, an octogenarian peasant-caste women in Dalaipeta village replied outraged, "*Finish! The good old days have gone. Nowadays, these Dalits are not even listening to us. Earlier we used to compel the Dalits from their huts by 4 am—in case they were absent, we used to tie them to pillars and whip them*". This statement represented the opinion of rural affluent sections.

In the villages surveyed, only in one village, an organisation tried to organise the attached labour. Duggeru is a tribal hamlet in Makkuva Mandal. In this village, the association of peasants, labourers and poor people (Telugu Rythu Coolie Pedala Sangam, Andhra Pradesh) organised Adivasis and Dalits for seeking a hike in the wages of attached labour and achieved a partial success. However, by that time, the profession as a whole waned out in the remaining broad plain areas.

### **Rural Wage Rates**

For a very long time, the village rich peasantry as monopoly buyers of agricultural labour decided the wages rates in the labour markets. Usurious interest rates were used to tie the agricultural labour to farm. Endless expropriation of surplus value is derived from this hapless class of agricultural labour. Even though Minimum Wage Acts were promulgated, neither any labour unions

worked assiduously nor the dalit labour were in condition to understand and exercise their rights. The rich peasantry thus generated vast amounts of agrarian surplus and transferred them to build urban property and urban business. This has made the cheap raw material for agro-industry and cheapened the wages in industry. There is a continuum in surplus value produced in rural areas, transferred to urban area and reproduced at expanded level. Ironically, the opportunities created in the urban expanded reproduction of surplus labour, in turn began creating opportunities for dalit labour to escape the village oppression.

For a very long time rural real wage rates stagnated. Including the villages surveyed, one does not hear that any united struggles for the wages of the rural proletariat that took place in this district. The late professor G.Parthasarathy made an astute observation "Despite considerable rise in money wages, real wages of agriculture labour in Andhra Pradesh are marked by stagnation. There is no association between trends in real wages and per capita (rural) agricultural production. The picture of stagnation at the state level applies also to mostly all districts. A noteworthy aspect of the data is the negative, though not statistically significant, trend in real wages for a relatively well developed district such as West Godavari which is known to have experienced significant changes in technology" (Real wages of agricultural labour in Andhra Pradesh: two decades of stagnation: EPW July 31,1982 pages 1248: G.Parthasarathy). There were no unions for them. The rural labour enquiry of 1974-75 remark that, "only 1 percent of agricultural labourers were members of any organisation or union of farm labourers" (EPW, June 14-21, 1980 page 1045) becomes applicable for this district too. Increase in productivity does not automatically increase real wages.

The small peasantry rallying behind the rich peasantry unfortunately emboldens the latter in curbing the voice of rural proletariat. Not only are peasants divided on caste lines, agrarian labour too are divided on the same lines. In some village they have their caste associations. However, when it comes for work they all demand same level of wages.

The decade of 2000s saw some faster growth of nominal wages, particularly after 2007. Many scholars also attributed to the implementation of Mahatma Gandhi

National Rural Employment Act. But in Srikakulam district, rural wages began rising even before. Though the rich peasantry complain about the exorbitant growth in the wage rates, the actual growth in the real terms is still nominal. The main reason for the stagnation lied in the disunity among the vastly scattered masses. The labour is getting feminized day by day. In Srikakulam district, it is only men who migrate mostly, even among the dalits. It is the female labour that still bears the yoke of agricultural labour in the countryside. Female wages are far less than male wages. The out migration of male labour has forced the rich peasantry to quickly resort to mechanisation. The withdrawal of agrarian labour because of migration led to the wage rise in countryside which remained above starvation reserve for such a long time.

### **From Agricultural Labour to Urban Migrant Labour**

Dalits in the village by default became agricultural labour, not cultivators. They were attached labour at some point. But they could come out of its clutches and become casual labour. Yet the majority were still situated in agriculture. While the backward caste labour migrated as agricultural labour to wetland labour during the Green Revolution phase in south coastal Andhra districts, dalits still could not migrate much. This began changing by early 1990s. The opportunity that construction sector in the country offered a major opportunity for dalits in this region to escape the tyranny of the village and earn a far better wage income.

The percentage of Dalit agrarian proletariat among Dalit main workers in the district recorded as 69.76 in 1961, increased to 75 per cent in 1991, but by 2001 it dropped to 69.70 per cent. The agrarian labour in general drastically decreased during 1991-2001 to 27.35. It is interesting to observe that even the main workers in agriculture in general began showing a decreasing trend. Dalit who had to earn their livelihood as workers, began leaving the villages, to avoid the obnoxious circumstances conditioned by laws of Manu. Those dalits who chose to become farmers face the damning prospects offered by market forces.

[Excerpted from the Chapter on Dalits in S A Vidyasagar, *Voices Unheard*, Gian Publishers, New Delhi, 2014.]

# Agrarian Question Then and Now<sup>1</sup>

(Henry Bernstein)

*In this article Henry Bernstein draws out the analytical implications of the work of T.J. Byres who has documented the paths of agrarian transition and capitalist development in developed West as well as periphery. He argues that the agrarian question after capitalism means appropriation of agricultural surplus for industrialization at the national or global level, in both capitalist and socialist economies. Under conditions of globalization when national political economies get integrated into global capitalism without necessarily transforming the production relations in agriculture to capitalist forms, the political salience of the 'peasant question' also needs to be rethought.*

"[A]s the social formation comes to be dominated by industry and by the urban bourgeoisie, there ceases to be an agrarian question with any serious implications"  
[Byres, 1991:12]

"[T]he agrarian question is an issue pertaining to capitalism and primarily to a period of transition or 'articulation' between capitalism and pre-capitalist modes of production" [Levin and Neocosmos, 1989:243]

## Agrarian Transition

Bernstein argues that the relevance of T.J. Byres' work lay in his critique of the conceptualization of the agrarian question in contemporary poor countries. A limited number of historical paths that have already been successfully traversed in the past are considered by most theorists wherein "the apparently essential features of these historically traversed paths are identified and are made to constitute the elements of the models of possible agrarian transition". Byres had argued that such a "practice in this respect is defective, and misleading in two important ways. The first is the paths in

question—or the models to contemporary reality—are too few and second, the conception of these paths is too stereotyped." Byres' critical work on the different paths of agrarian transition in Europe conveyed three ways of understanding the agrarian question, according to Bernstein.

The first path traced by Byres shows that for the European Marxists who investigated agrarian question, it was the specific political project of how to capture power in countries which continued to have large peasantry. How to build strategic alliances between industrial workers and peasants was the essential agenda. The work of Engels precisely addressed this issue.

Byres traced the second path from Kautsky's work stressing on the different variants in transition and different conditions of capitalist relations between industry and agriculture. Lenin's work was a strong reiteration of Kautsky's position in Russian context. Lenin contested Norodniks' view that peasant economy was a self-reproducing and stagnant which did not allow growth of capitalist relations. He argued that capitalist relations had already developed in Russian agriculture. He demonstrated that the peasants were differentiated into different classes, wage relations had developed and individual ownership of land rather than communal ownership prevailed.

The third path Byres identified was that of the Soviet Union experiment and experience. Here agrarian sector was transformed to extract agricultural surplus at low price for faster accumulation and growth of the modern industrial sector. Several post-colonial countries like India too wanted to embark on this path in the sixties. Byres emphasized that agrarian transition in the

20th century was about the role of agriculture in capitalist industrialization with or without 'full development of capitalism in the countryside'. It means a dominance of capitalist relations (in the sense of capital and wage labour) of production would be necessary for potential growth of industry.

Byres had concluded that a resolution in the third sense was eminently possible without the first and second senses. It means that a worker-peasant mobilization would not be a necessary condition and that the agrarian sector would be left with a combination of capitalist farms as well as petty commodity producers. The agrarian question would be resolved only in the third sense, in such a way that capitalist industrialization is permitted to proceed. As the social formation comes to be dominated by industry and urban bourgeoisie, there ceases to be an agrarian question with serious implications.

These three meanings of the agrarian question thus delineated can be summarized as the problematic of *politics (of organizing the urban and rural proletariat), production (transformation of agriculture into capitalist), and accumulation (expropriation of agricultural surplus by industrial capitalism)*, which for purposes of discussion, Bernstein terms as AQ1, AQ2, and AQ3. They convey necessary political mobilization for democracy, development of production forces in agriculture and contribution of agriculture to primary accumulation for industrialization, respectively.

Framing them in the such a way or separating AQ1 from AQ2 & AQ3 may look like reducing the later two to sort of economism, Bernstein admits. But he notes that separation of development of productive forces and relations (AQ2) and extraction of surplus at unequal terms for the accumulation of industry by the capitalist system at large (AQ3) would refresh the political analysis. It means that AQ1 i.e., the question of political mobilization of peasants should take into account the broader systemic logic in which peasants are placed. One should however note that such a strategy of extraction of agricultural surplus has been common for socialist as well as capitalist ways of promoting development based on industrialization.

## Different Paths to the Agrarian Transition

Bernstein points out that Byres' work on such paths of accumulation illustrated the

significant diversity in substance and form. Byres illustrated such diversity through the six historical paths - the English, French, German, American, Japanese and South Korean/Taiwan. In the English path of agrarian transformation, of capitalist free peasants, the enabling of landlords and free wage labour preceded and contributed to industrial revolution. In the French path peasant resistance led to rentier landlordism. The peasantry in the south were subsumed while capitalist farms in the North flourished from 1840 but the overall contribution of agriculture to French industry is less well known. In Japan, the period of Meiji restoration (1868) involved intense conflict between tenants and landlords. State intervention forced transition of feudal landlords into capitalist landlords by stripping them of feudal privileges. They had to invest in land to attract greater rent. The surplus production needed for industrialization was managed through this process. The Taiwanese and South Korean paths originated in land reforms under Marshall Plan. Peasantry that was historically exploited by the imperial colonialism and feudalism was freed through the land reforms in the 1950s. Such freed peasants eventually moved to the urban areas, also subsidizing the wage cost of labour as they carried food surpluses from their farms in rural hinterlands.

Prussian and American paths bear resemblance in two sense. One, in both instances, the landlords were reactionary and were opposed to change. Two, feudal relations, whether of serfdom or slavery were coercively transformed by the moves of the State. The transition from feudalism to capitalism in both cases was imposed from 'above'.

In Prussia, Junker feudalism continued until Napoleon defeated Prussia and introduced legal reforms. Having lost state patronage the Junkers were forced to transform into capitalist farmers, by investing in land and employing free wage labour in their large farms. The German unification and subsequent industrialization accelerated the transformation of their agriculture. But the culturally homogenous Junkers continued their dominance in the political and economic spheres. As strong supporters of Nazism they also mobilized the political support of the agrarian classes for the latter. In Germany

AQ1 was managed after resolution of AQ2 towards the eventual resolution of AQ3.

In the US, the southern plantation systems which used slave labour enabled a distinct form of appropriation, until the Civil War ended the slavery. Thus the AQ1 was resolved by abolishing slavery, while resolution of AQ2 and AQ3 took their own time. As part of AQ2, the plantation owners made adjustments to their dominance. They introduced sharecropping after the abolition of slavery and rented lands mostly to their former-slaves. These tenants were subjected to rack renting and usurious expropriation of surplus.

Byres compared the sharecropping systems which interlinked credit and output markets in the US with other countries (such linked markets were characterized as 'semi-feudalism' in Indian agriculture by Amit Bhaduri (1976) and Bharadwaj (1978) in the mid-sixties). After the abolition of slavery in the US, the petty commodity character persisted for next thirty years. It only began to change when agriculture was recapitalized with mechanization, modernization, and bank credit linkage. From 1880 to 1920, production increased massively through the capitalist boom. But the World Depression led to massive fall in agricultural prices, bankrupting the farmers, both large and small. The contribution of agriculture to the American industrialization was tremendous until different fortunes embraced the US towards the end of the World War I. In both the US and Germany it was the case of transition from 'above' in which agriculture was forced to transform in order to contribute for the industrialization.

### **Uneven and Combined Development on a World Scale**

The first issue is: how do we comprehend the unfolding process of capitalist transformation in different regions and countries over time and space? It began in Europe but engulfed the rest of the world in uneven development, making it difficult to identify the markers of change within each country as they are also simultaneously part of the combined development of global capitalism. The successful agrarian transitions of the West and Japan occurred during the phase of colonialism wherein sources of primary accumulation included territorial expansion, international trade, colonial plunder and

imperialist surplus extraction. Transitions of Taiwan and South Korea belong to the exceptional geopolitical conditions of Cold War period.

European colonies of Asia and Africa were integrated into the world trade at different historical moments of evolving international division of labour. For each colony, it is that particular historical moment and conjunction that shaped its subsequent transition trajectory. For all of these colonies, the question of agrarian transition/ industrialisation was delayed until the moment of their independence, which began in the late 1940s and continued till the early 1960s.

This brings us to the second issue of how conditions of industrialisation in these countries changed from those of earlier transitions. When industrialization was put on the agenda by the nationalist discourses through ambitious development plans (at the moment of decolonization), it was clear that they would not have the opportunities of external sources of primary accumulation enjoyed by former-imperialist capitalist countries. In the degrees and types of industrialization achieved, whether supported or hindered by agrarian change (or bypassing it) and whatever the outcome (to date), it seems clear that intersectoral linkages between agriculture and industry are at the core of the (internalist) problematic of agrarian transition/industrialization. And they would be mediated by the (differential) effects of circuits of international capital and world markets, for each sector in any capitalist economy (central or peripheral).

In short, a century of modern imperialism has extended the determinants of industrialization far beyond the prospects of agrarian transition in landscapes inhabited exclusively by classes of landed property and agrarian labour. There is substantive diversity of forms of agrarian change, and of their contribution (or otherwise) to industrial accumulation by relatively 'virtuous' or 'vicious' means (based on the growth of agricultural productivity and dynamic intersectoral linkages, or in more or less coercive transfers), and of degrees and types of industrialization in the imperialist periphery.

Now, comes the question, which exactly are the poor countries we are talking about? Only



three regions of the globe remained essentially dominated by the village and fields: Sub-Saharan Africa and continental South Asia. The countries in these regions also have not undergone substantial industrial development. They have unsteady and circulatory migrations that stand in sharp contrast with the cycle of migrations in the earlier centuries. Even the migration patterns found in South America and Asia distinctly differ from the ones that occurred in the 18-19<sup>th</sup> century. This is not so say regions that house half of the global population and are substantially agrarian did not undergo any change. Indeed there has been significant transition in the last one century.

Bernstein believes that the work of McMichael and Friedmann (...) that traces global agrarian regime (especially the changes they underwent since industrialization in the West) is extremely helpful in this context. It is well known that by the 18th century, the colonial expansion brought the agrarian production of these vast regions into global supply chain and the consequent changes in the global agrarian regime can be broadly divided into three phases.

In the first phase, from 1814 to 1914, peasant production in the Second World (Americas, South Africa, Asia and Australia) was firmly integrated with European industrialized region. This was a phase of free trade which created opportunities on one hand but also locked them into an unequal exchange and subjected the former to primary accumulation in the industrial centre. The first global food regime ended with advent of the First World War. Barring the US which had already industrialized, most of the agrarian dominated South America and Asia reeled under effects the Great Depression.

The Second World food regime began after the end of the World War II, in the post-1945 period, when the US rose to the position of the new centre of world capitalism. With its policy of foreign-aid, US flew its agricultural surpluses into its satellite States. But during the subsequent decolonization the newly independent states attempted to industrialise, ushering a new phase of food regime. The agrarian sector was given new opportunities in terms of better infrastructure, new technological initiatives, credit and limited price protection, eventually enabling primary

accumulation from agriculture for industrial growth. The paths to capitalist transformation were thus tempered by the nature of involvement of the States, historical development of markets and their positioning in the global division of labour. This regime came to an end when the second wave of globalization began in the 1980s under the tutelage of international financial institutions.

In the current, third food regime, the petty commodity producers began to be subjected to renewed global primary accumulation through multinational corporations and global food chains. The conditions of 20<sup>th</sup> century capitalism and nation-state dominated political regimes in peripheral capitalist countries may not offer grand opportunities for radical structural transformation or large scale migration. As a result one now finds the agrarian populations locked up in agriculture as a default option. This situation compels us to reformulate the agrarian question beyond the national framework.

It is within this internal and external architecture of capitalist relations in agriculture, shaped by complex accumulation regimes, that the continued survival of petty commodity producers needs to be placed. Capital concentrates around farming for primary accumulation, like trading, finance, mills, fertilizer dealership, leaving actual farming to petty commodity enterprises that depend on a self-exploiting system, bearing all the risk. This is a particular arrangement that suits the accumulation regime. The traditional agrarian question of peasant differentiation and capitalist transition (AQ2) appears to have been 'bypassed' in these countries, due to access to global capital, resulting in a frustratingly slow movement of its resolution. However, AQ3 of accumulation is sustained by the new collusive global capital.

### Conclusion

By way of conclusion Bernstein suggests a different juxtaposition of the three agrarian questions. Just as Byres demonstrates how it is possible to theorize the agrarian transition in general with or without the capitalist transformation of agriculture (AQ2), one can now pose the salience of agrarian transition in general with or without AQ1 (organization of agricultural labour) and AQ2 (capitalist

transformation of agriculture). The AQ3 - the transformation of agriculture as a source of accumulation for industrial capitalism - *the agrarian question of capital*, specifically of industrial capital has now assumed predominance. The direction of the agrarian transition everywhere is to make it amenable for industrial capitalism, at the national and global level. Agriculture is reimagined as a re-resource for industrial capitalism, nothing more. It is in this context, Bernstein argues that, one needs to seriously consider the hypothesis of the end of agrarian question.

When Lenin discussed the Prussian and American paths he focused on the questions of politics and productive forces. He worried about the implications of such a path for democracy in Russia after the first revolution. AQ3 or the question of accumulation was not significant for him. Lenin posed the agrarian question of the working masses, both proletarian and poor peasant, wherein the overthrow of landlordism and increase in the productivity of peasant production came to be seen as important for democracy as well as for development – capitalist or socialist.

In the contemporary post-colonial periphery capitalist development from above or the vicious class struggles in the countryside generated by peasant capitalism cannot provide the peasant an escape from poverty and misery. Such capitalist development may be backward, plagued by landlordism and the agrarian transition may not have been complete. Under any and all of these conditions the conditions of the peasants will continue to be miserable as the current moment is characterized by generalized commodity production on a global level. Caught within the logic of the accumulation designed to extract surplus for the non-farm sector, the peasant will be waging a losing battle. The urgency of bread and democracy will continue to distinguish the agrarian questions of the working masses and to drive their struggles.

1. Summarised from Henry Bernstein, "Agrarian Question: Then and Now" in *Agrarian Questions : Essays in Appreciation of T.J.Byres*, edited by Henry Bernstein and Tom Brass, London: Frank Cass,1996.

# Capital and noncapital: Kalyan Sanyal's argument with Marxism in the periphery<sup>1</sup>

## Background

The following ten-point framework of Marxist economic theory needs to be kept in mind in order to understand Kalyan Sanyal's argument:

1. Capital has a universalizing tendency, i.e., a tendency to make labour a universal identical commodity, i.e., it reduces all labour to a standard output fully exchangeable between one labourer and another. It does this concretely through mechanization of production, simplification of labour, stripping the labourer of all specific skills. It eliminates all relations of production in favour of the pure economic relation between capitalist and wage-labourer.
2. Thus, capital tends to proletarianize, to absorb and subjugate all labourers as sellers of a single identical form of unskilled wage labour. The theory of human labour as an abstract, simple commodity reflects the concrete lives of labourers stripped of all features.
3. Capitalism will swallow up the entirety of social labour to meet its insatiable appetite for surplus value so that it is re-invested in industry.
4. Capitalism proposes a chimera of universal human right (fundamentally to property) as the foundation of the freedom of the individual to pursue wealth in its economic system. However, this bourgeois notion of a human right that is available to a few is based on the subjugation and exploitation of the unfreedom of most wage-labourers.
5. Capitalism begins its epoch with primitive accumulation which violently appropriates

all forms of property, wealth, obligation and customary right that existed in the preceding (feudal) period.

6. Mature capital creates wealth for investment through the generation of surplus value within its own system. Primitive accumulation is left behind as a necessary transitional phase in the prehistory of capital.
7. This total absorption and uniform exploitation of wage labour will result in the proletariat which begins to think and act as a class-for-itself that recognizes its common interest and unity. Thus, the proletariat will be the first to conceive the true universality of society in the fundamental equality of its members.
8. The unequal distribution and concentration of wealth in mature capitalist society will also result in a crisis in political economy due to cyclical overproduction. This is matched by an impoverished proletariat that is unable to meet its needs, is conscious of its exploitation, and has a vision of equality which ultimately drives the proletarian revolution.
9. The revolution will in theory produce true universal right and well-being where all human beings can access what they need.
10. There are variations in this basic theoretical framework, especially with Gramsci, but in general the theory of transition and universalizing drive of capital are central to Marxist theory.

The problem with this universal theory of economic transformation is that it doesn't describe what happens in Third World nation states. Such a transition has also not occurred in many First World nation states.

Theoretical studies of the economic transition (in relation to agriculture), especially in relation to First World nation states, are being presented in other articles and summaries in this broadsheet. In addition, the broad debate of the transition in agriculture in India is also being discussed at length in the summary of Praful Bidwai's review of the mode of production debate in India. This essay will deal with Kalyan Sanyal's own important critique of Indian Marxism's theoretical assumption of post-colonial economic transformation of feudal conditions of obligation into capitalist wage labour.

There have been several variants and theorizations within and after Marxism which try to deal with the complexity of the problem of capitalist transformation in Third World, postcolonial nation states. All these, Sanyal argues, depend on some underlying assumption that a capitalist transition takes place here too. Thus it is assumed that the labour force is absorbed into a universal exploitative relationship thus forming the basis for a proletarian transformation of Third World economies and societies. If the idea of a proletarian revolution has worn thin, there remains the hope/promise that the labour force will be fully absorbed and live a better life than under feudal conditions.

What would be the theoretical and practical implications if such a universal absorption and transition to capitalism does not occur?

## First observations

Sanyal quotes Ignacy Sachs' observation regarding Brazil's economic scenario, that ...Brazil was transformed into a BELINDA – a Belgium in the middle of an India, with parts of the [northeast] comparable to a Bangladesh. Industrialization had the opposite effect to that anticipated by Arthur Lewis. Instead of gradually exhausting the reserve of unskilled labour by drawing it into the modern organized sector, it deepened the process of *exclusion and social segregation*. It created a huge surplus of underemployed labour in the cities, including ... casual agricultural workers *expelled* from the rural areas by mechanization of large estates. (Sachs 1991: 99, cited in Sanyal 2007, emphases Sanyal, modified)

Sanyal suggests that there is a symptomatic, ugly stagnation of labour which is evident even in Indian cities and the countryside. This is best understood in a metaphor that refers to Michel Foucault's work on madness in the sixteenth century, where he described the (European) Ship of Fools carrying madmen drifting from port to port, touching each city while never allowing them to disembark or escape. This was Europe's way of expelling from society and yet keeping chained to its periphery its population of the 'insane', excluding, yet confining them. In Third World countries today, Sanyal argues, large populations are similarly kept apart from the development process. They are not absorbed as wage labour, yet not left alone to their devices, creating a large and permanent reserve army of the unemployed. Sanyal argues

Foregrounding of the phenomenon of exclusion and marginalization in the portrayal of the third world economies, for me, is a representational strategy. My picture is very different from the way the economic formation of the third world is represented in the dominant mainstream discourse of development. The mainstream discourse views underdevelopment as an initial condition waiting to be transformed in the process of modernization and development. It understands the persistence of underdevelopment as the reflection of insufficiency of development. This is seen as the inability of the modern sector to expand sufficiently and transmit its dynamic to the underdeveloped periphery; in other words, underdevelopment is the residual of the initial condition that the process of development fails to transform. (46-7, modified)

Having laid out the claim of the dominant discourse, Sanyal puts forward his own challenge to this view

In contrast to this, I see the representation of underdevelopment in terms of castaways of development. I.e., I see underdevelopment resulting from the development process itself. This, to me, signals a new theoretical space in which a radically new conceptualization of the

post-colonial economic formation is possible. Such a conceptualization brings to the fore the phenomenon of exclusion and confinement as an essential condition of capital's existence. It also makes visible the specific technology of power that helps create that condition. (47, modified)

Two questions need to be addressed: a) the theoretical implications of this perspective b) the practical mechanism of the process.

#### Theoretical shifts

a) In orthodox theory, primitive accumulation is, to recap, how early capital formation takes places. It is the process by which the pre-capitalist worker is "divorced from the means of production" (i.e., access to land, tools, skills, Marx 2010, 668). It is the process by which "great masses of men are suddenly and forcibly torn from their means of subsistence and hurled as free and 'unattached' proletarians on the labour-market". (ibid., 669). Primitive accumulation is the prehistory of capital. Once capital universalizes itself, primitive accumulation ceases to exist and all investment generation occurs through surplus labour within capital.

Sanyal's proposition is that at the post-colonial margin, metropolitan capital depends on continuous primitive accumulation. Capital never comes fully into being on its own. It is constantly transforming itself without completing the transition. Hence the process of primitive accumulation is a continuous process that happens alongside perpetual capital formation. In other words, agricultural workers are constantly expropriated, their resources taken from them and they are cast out of their places of subsistence.

b) In orthodox theory, the workers who are expropriated are thrown, 'unattached' into the marketplace so that capital employs them as wage labour. This way, capital absorbs and exploits the expropriated workers, generating surplus value through this employment/exploitation. Capital also provides the socio-economic conditions of a universal exploitation that leads the proletariat to become conscious of its exploitation and develop a revolutionary consciousness as a being-for-itself.

Sanyal argues that in post-colonial development, those people thrown out of their traditional means of occupation are not absorbed. Thus, the possibility of wage labour as a means of subsistence after expropriation does not exist, and any development of their condition through proletarianization and progressive consciousness towards a being-for-self of the proletariat is not open to them. They are instead castaways who have no opportunity to enter the development process. They are thus excluded from development within the capitalist system.

The problem then is, how are these castaways maintained without being provided wage labour?

#### Practical considerations

Sanyal argues that once the subsistence workers have been expropriated by primitive accumulation, they are completely at the mercy of the elements. There is no inherent reason why the expropriated must survive, and the history of early modern Europe has many examples of the dispossessed perishing famines and epidemics. However, Sanyal continues, today it is no longer possible to let the jobless perish.

Discourses of democracy and human rights have emerged and consolidated themselves to form an inescapable and integral part of the political and social order. As relatively autonomous discourses, they have constituted an environment within which capital has to reproduce itself. A crucial condition of that reproduction is that the victims of primitive accumulation be addressed in terms of what Michel Foucault has called "governmentality". These are interventions on the part of the developmental state (and non-state organizations) to promote the wellbeing of the population. What I identify as a reversal of primitive accumulation refers to this realm of welfarist governmentality; the creation of a need economy is an imperative of governance. (60, modified)

Thus, to support the expropriated, there must be a return flow of wealth from within capitalism to the outside, a reversal of the

expropriation that is caused by primitive accumulation. Money thus flows out from the capitalist sector into the need sector, or the non-capital sector. This money is not in the circuit in which capital grows through reinvestment of surplus value. It is used by a non-capital need economy to sustain the expropriated through various marginalized forms of subsistence that do not contribute to capital. This reverse flow of capital occurs through the globally normative discourse and practice of development, which through state and non-state actors, channels and controls to an extent this reverse flow.

However, the moment any aspect of the need economy stabilizes and begins to grow through the normal processes of reinvestment, the capitalist economy will swoop down on these stabilized and growth oriented aspects and dispossess or expropriate the successful actors.

It is for this reason Sanyal adopts the Ship of Fools metaphor to describe the marginalized who are neither left to exit the system nor allowed to integrate—they are excluded and held close simultaneously.

### Implications

There are different implications of Sanyal's theoretical proposal:

- We can no longer look to capitalism to absorb all workers in its system thus creating a universal proletariat. There will always be the marginalized, eking out an existence, surviving on a minimal transfer of resources from the state to noncapital. Trademark slums and other telltale signs of dire impoverishment will remain part of the postcolonial landscape.
- The proletariat no longer has the potential to become a consciousness-for-itself which can represent a true universal human good. If the capitalism doesn't absorb all labour and permits the existence of an army of the unemployed at the margin, a proletarian consciousness cannot be universal since even below them exist the permanent reserve army of the unemployed, who have no means to unite, no common ground to fight their battles against capital, which is from that point of view an unseen enemy.


- Capitalism is not an autonomous system, and is regulated by a state/non-state governmental process. If capitalism doesn't absorb the entire labouring population, it can no longer function fully autonomously as a base upon which the superstructure of the state, law, education and other welfare institutions will rest. The state has to be a referee between capital and noncapital and will thus be beyond the grip of capital, and the latter's hegemony will be compromised. This will mean that the state will offer a means to direct the functioning of capital to a degree.

- The notion of a socioeconomic transition through the force of a dialectic and through a process of sublated contradictions no longer holds. Once a marginalized population exists, the dynamics of the proletariat will not function and the process of a revolutionary transformation will not have its driving force.

- However, the autonomous structure of noncapital's will to survive may frame a different form of a consciousness-for-itself of the marginalized unemployed. This is because there will be other modes of organization or conscientization that may open out as possibilities for the marginalized, and such new possibilities will dictate the forms of development of noncapital in the era of capitalism (and perhaps beyond).

- What the future holds is no longer clear, but is open to intervention and modification. This is because the internal dynamic of the Marxist dialectic, whereby the proletariat begins to represent consciousness of society as a whole, from the perspective of the exploited, cannot work. The proletarian consciousness is no longer the lowest one in the hierarchy. It cannot imagine an exploitation that is below slavery — exploitation of the very possibility of employment through denial.

1. This is a summary of the theoretical position developed by Kalyan Sanyal, *Rethinking capitalist development: primitive accumulation, governmentality and post-colonial capitalism*, (New Delhi: Routledge, 2007).



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# Agrarian Question under Globalization<sup>1</sup>

(Akram Lodhi and Cristobal Kay)

*The agrarian question in the context of a developing country is very often discussed in an analytically impoverished way, due to the stereotyped and narrow understanding of the classical context. Such a discussion neglects the full range of historical possibilities visible in the varieties of transition in England, France, Germany, Russia, Japan, South Korea and Taiwan. To dispel this theoretical haziness, the authors revisit the debate on the agrarian question from Marx to Bernstein from a contemporary standpoint. They point out that neither Marx nor Engels nor Kautsky nor the later writers envisaged a singular or linear model of transition from agrarian feudalism to agrarian capitalism, as the contemporary popular left debates in the subcontinent portray. If looked at carefully, the debate on the agrarian question in the 19th and 20th centuries provides a rich historical and contextual understanding of the peasant question, so as to find a pathway (or ways) to re-imagine the peasant question in the current context of globalization. Reviewing two centuries of debate from the vantage point of the 21st century peasant, they bring the necessary analytical clarity and enable the reader to see the peasant question in a new light.*

## Where do we begin?

More than a century ago, for Karl Kautsky the agrarian question meant 'whether and how capital is seizing hold of agriculture, revolutionizing it, making old forms of production and property untenable and creating the necessity for new ones' (Kautsky, 1889. See summary in this volume). A century later, for Terence J Byres (1996. See summary in this volume), it was the 'continued existence of obstacles in rural areas in a substantive sense, (preventing) accumulation both within agriculture and outside in industry' that was the core of the agrarian question. In the age of globalization, does capital still transform the peasantry like national capital did at certain historical junctures or do the peasants continue to survive as petty commodity producers? AL and K argue that globalisation produces a complex dynamic that integrates peasantry with global markets, intensifying their crisis beyond relegating them to reserve army of labour. For the authors, it is the farmers resistance to the logic and imperative of their marginalization that constitutes the peasant question now.

## Peasant question in classical Marxism: Differentiation and Transformation<sup>2</sup>

AL and K begin by charting of the important trajectories of capitalism's entry into

European societies (as theorized by Marx, Engels, Kautsky and Lenin). This entry transformed the organization of agrarian production and lives of peasants in different ways. Multiple political regimes and the imperialist expansion through colonization led to multiple trajectories of capitalist transition in agriculture. The authors contest the popular understanding that Marx viewed peasantry as 'a pre-capitalist remnant that will be dragged into modernity by capitalist mode of production'. They direct our attention to the better and fully developed view of Marx which appeared in Capital, Vol.I,

"all revolutions are epoch making that act as levers for the capitalist class in course of formation. But this also is true for those moments when great masses of men are suddenly and forcibly separated from their means of subsistence and hurled into the labour market as free, unprotected and rightless proletarians. The expropriation of the agricultural producer or the peasant, from the soil is the basis of the whole process. The history of this expropriation assumes a different order of succession and at different historical epochs. Only in England which we therefore take our example, has it in the classic form" [Marx 1976, 876].

AK and K also direct our attention to the observation of Marx that capital does not destroy peasant classes in some regions, but subsumes the labour of peasant class using 'hybrid' modes of surplus extraction. Reading Marx's (1881) letters to his friend Vera Zasulich (<https://www.marxists.org/archive/marx/works/1881/zasulich/>) on the fate of Russian peasantry under rapidly industrializing Russia enables us to see his deep insight into the possibilities of multiple resolutions of agrarian question facing small-scale production.

What is interesting and useful in Lodhi and Kay's method is the attention to the historical context of each theoretical formulation.

They note that Engels examined the agrarian question in the context of internationalization of food regime resulting from European imperialist expansion that began to undermine peasant livelihoods in Europe (See Engels in this volume for more details). Kautsky (1880) and Lenin (1889) who arrived later in the century, focused on the continuing transformation of agriculture in the wake of industrial capitalism. They saw capitalist industrialization break the traditional link between agricultural and rural petty manufacturing by commodifying the former and linking it to distant markets (See Kautsky in this volume for more details). For them, industrial capitalism thus propelled agrarian capitalism.

Next, AL and K also delineate the distinct ways in which these classical thinkers identified the coping and surviving mechanisms of peasantry under industrial capitalism. They note Marx's identification of social differentiation between households which transform into accumulating households and those which fail and struggle to sustain their subsistence; Kautsky's identification of self-exploitation of small peasantry and intensification of rural production under industrial capitalism where agrarian question gets linked to the imperialist world markets and Lenin's identification of class differentiation in agriculture between the the exploiting big landlords and rich capitalist farmers and exploited classes of small tillers and landless labour. For both Kautsky and Lenin, they point out, agrarian capital need not rely on dispossessing the petty commodity producing peasants..



## **Peasant question in planned economies: Socialist primitive accumulation**

If industrial capitalism world over made accumulation faster by repressing the relative prices of farm products, created through unfettered competition among peasants and opening up the market for imports, what did countries that embarked on planned growth do is another question that AL and K explore. The obvious case for them is Soviet Union.

AL and K note that a situation arose after the formation of Soviet Union when the planners had to take a call on agriculture and peasantry: rural peasants began to enjoy favorable prices from rising urban demand. Modern industrialization and shortages of agricultural goods led to sharp rise in agricultural prices. Such an increase vis-a-vis manufactured goods prices slowed down accumulation in industry. Even as Bukharin argued against imposing any curbs on food prices, favoring a long term balance of prices, Evgey Preobrazensky, a Marxist economist in Russia and a contemporary of Bukharin, argued that for the modern industrial sector to accumulate, agricultural prices have to be kept relatively low. As modern sector is a harbinger of development that would accommodate surplus labour evicted from agriculture the relative prices should move against agriculture. This advice was implemented through forced collectivization which involved violence and incarceration of resisting farmers. Preobrazensky called this, "socialist primitive accumulation".

## **Agrarian question after Lenin: Debate among historians**

AL and K note that after Lenin, it was primarily historians who debated capitalist transition. The focus was on two issues. First was to understand what led to fall of feudalism in Europe and second was to understand the rise of capitalism as a different form of surplus creation and appropriation. Maurice Dobb (in 1963) argued that feudalism ended in England because of conflicting social relations between feudal lords and peasants: feudal exaction in the form of rents and others led to violent clashes with peasantry. Eventually, the small peasantry were expropriated from their holdings through land enclosures established by the landlords, and were reduced to wage labour while a better off class of free peasantry emerged as capitalist tenants to lease in the lands of lords. Rodney Hilton (1976) marshaled archival evidence for the

conflict which is described as class struggle by Dobb. The class struggle led to change in production relations to allow productive forces to grow. However, Paul Sweezy (1976) contended that it is the long distance trade towards middle of 15<sup>th</sup> century that enabled the change to happen, hence the external factors in the sphere of exchange played important role as elsewhere.

In 1976, Robert Brenner reopened the debate after studying European transition more comprehensively and produced a much more rounded explanation within historical materialism. Brenner identified development of private property rights and class differentiation as crucial moments that brought the resolution to the conflict. Private property rights, granted by the state created incentives to lords to make improvements to their lands and enter clear contractual relations with the free peasantry in leasing their lands. Thus it was the changes in class structure, and class relations that, in Brenner's view, brought resolution to the class struggle.

## **Agrarian Question in the late 20th Century<sup>3</sup>**

Noting that by the end of 20th century, a new understanding of the agrarian question developed extending the classical account, AL and K draw attention to the important analytical distinctions made by Bernstein in the agrarian question along three 'problematics', before moving onto outline what they think are the crucial agrarian problematics for 21st century. Bernstein made these distinctions while reviewing the corpus of T.J.Byres' writings on multiple capitalist transitions in Europe, Asia and North America.

AQ1 problematic of 'accumulation' (the 'agrarian question' is called AQ in general in this essay) is derived from Preobrazhensky's theory of socialist primitive accumulation. This analyzes agriculture's potential ability to generate 'surplus output' and 'financial surplus' over and above its own requirements - to support industrialisation, structural transformation, accumulation and the emergence of capital both within and beyond.

AQ2 problematic of 'production', has its origin in Kautksy, Marx and Lenin's works. This analyzes the extent of capitalist development in the countryside, the form that it takes and the barriers to its development. It looks at the micro political economy issues affecting structural transformation of petty commodity producing peasant labour into its

commodified form through rural labour processes [the large body of empirical work in 'mode of production debate in India' falls into this category].

AQ3 problematic of 'politics' is drawn from the theoretical works of Engels. The dynamics between structures of dominance, subordination and surplus appropriation and the agency of social classes in the transformation lie at the centre of this problem. So the political struggles against feudal oppression for resources which eventually contribute to agrarian transition constitute the question of politics [The classical debate about the balance of class forces, the debate between Dobb and Sweezy and later Brenner's critique falls under this question].

This increasing analytical clarity provided by Bernstein on the agrarian question, AL and K note, has made it possible to imagine multiple transformatory possibilities by the end of 1990s. One could have transformation, non-transformation, or partial-transformation of petty commodity producers into wage labour, hence of labour power and the complex forces of dispossession. Once the peasants (or other rural petty commodity producers) are unable to produce a sufficient fraction of their consumption need, they must start selling their labour power to buy basic needs (food or other needs) that they previously produced themselves. Such wage labour would be sold to an urban employer or a rural capitalist farmer or non-farm enterprises. Thus rural petty commodity producers (peasants, artisans, service providers) are transformed into wage labour or agrarian proto capitalists. This happens under a market that works with its own logic and becomes necessary destination for their produce.

In short, it is the commodification of labour which underpins the deeper process of generalised commodity production as well as the concomitant transformation in the process of production - from production for use to production for exchange and accumulation. The agrarian transition is hence a process by which this does or does not occur and its implications for accumulation or emergence of capital. In this sense, AL and K argue, Bernstein (2004) framed the agrarian question of capital initially as emergence of capital and later expanded it to the reproduction of capital, which is predicated on appropriation. It is also important to examine the way in

which accumulation, production and politics are contributing to or are constraining the agrarian transition.

### **Agrarian Question under Globalization**

AL and K argue that globalization has transformed the development of the forces and relations of production on a world scale. How then has globalization changed the conditions for agrarian transition in the late 20th century?

In the heyday of Keynesianism during the 1950s and 1960s, land reforms and distributional interventions of the state were seen in line with boosting the aggregate demand. Soon, such a home market based state-led capitalist development strategy was replaced with export-led market led strategies of production. By encouraging agricultural exports in Africa, Asia and Latin America through varieties of policy-conditionality based loans, international agencies like IMF and World Bank have managed a reintegration of agricultural production with the global markets. By facilitating international repayment mechanisms, giving access to investments and promoting technical change, the new strategies have managed to enhance productivity, production and profits. [World Bank 2007, Akram Lodhi 2008, Veltmeyer 2009].

In this context, AL and K find it imperative to ask, with Bernstein (1996) whether, under neoliberal globalisation, agrarian transition is possible or even relevant?

The first key issue is that over the second half of the twentieth century, agriculture was effectively 'decoupled' from the problem of capital accumulation. The authors note that capital accumulation in the periphery is today driven by manufacturing and services on a world scale. Capital, now globalised, connected with transnational capital, does not require access to surplus agricultural resources in order to facilitate accumulation. It therefore no longer needs to reorganise agricultural production. Agrarian transition is no longer the necessary pre-condition for development of capitalism. Rather, transnational capital requires the technical capacity to ever more efficiently allocate resources on a global scale to enhance this surplus value and its realisation (Araghi 2009).

The second key issue is implicitly embedded in the first. The internationalization of capital

has 'decoupled' transnational capital from national labour regimes, which are becoming ever more fragmented. They become helpless in providing a livelihood. It is not that agriculture does not matter for the global capital accumulation; but by segmenting labour on a global scale, enlarging global reserve army and fostering a crisis of reproduction among the fragmented classes, transnational capital has made agrarian question redundant.

In this context, AL and K identify seven different and competing analytical approaches that are being followed and used by theorists to frame the contemporary agrarian question.

### **Seven agrarian questions in globalization**

#### *AQ1 Agrarian question of class forces*

It is argued here that articulation of forces and relations of production can take place in complex and multifaceted ways. Such transition is contingent, subject to diversity even on a global level. By implication, it becomes necessary to understand the diverse and uneven ways in which rural production processes are transforming (or not) into capitalist mode of production. These processes must be globally contextualised. Social differentiation, nature of the landlord class, market imperatives and severity of law of value, and character of the state, all matter in the framework of this mode of formulating the agrarian question.

In short, AQ1 investigates the peasant differentiation and the emergence of rural capitalism,

#### *AQ2 Path-dependent agrarian question*

Articulated by Bill Warren this approach argues that imperialism through colonialism introduced capitalist relations of production throughout the world. Even though this process was uneven across time and space, it has unleashed an inexorable, if contingent and dynamic, process of labour commodification across developing countries. Thus the ongoing expansion of wage labour signals that the capitalist mode of production is deepening in rural worlds and transforming agrarian production system. So no part of this would eventually be left untransformed.

AQ 2 focuses on the struggle to resist de-peasantization and later that of wage labour under rural capitalism.

#### *AQ 3: Global reserve army of labour agrarian question*

Farshad Araghi (2009) initiated this question by arguing that the unchallenged neoliberal globalization of today is the direct continuation of liberal imperialism witnessed in 19<sup>th</sup> century. So between the periods 1834 to 1870 and 1973 to the present, have in common the following: economic liberalism, anti-welfarism, free-market fetishism, global division of labour for 'workshops of the world'. Araghi argues that modern forms of neoliberal globalisation have constructed an 'enclosure food regime' that produces, transfers and distributes value on a world scale. The enclosure food regime has established a subsidized consumption and overconsumption among the classes of the global North. This also created global 'slums' and an global unemployed reserve army, who migrate globally for livelihood. Thus the agrarian question is reproduced under more demanding terms.

*AQ 3 Studies the capital-centric perspective over protracted condition to dispossess small producers from realm of production.*

#### *AQ 4 Decoupled' agrarian question of labour*

This question, raised by Bernstein, argues that under the globalised capitalist regime that reintegrates national capital with transnational capital, capitalist transformation of agriculture has become irrelevant and redundant for capitalist transformation in the developing countries. The agrarian capital is a subordinated entity and has limited influence on the alignment of class forces in the countryside, even though it influences and changes production relations. Thus Bernstein prioritizes a 'rural politics problematic' over a 'production and accumulation problematic'

AQ4 sees struggle between globalizing capitalism and peasants pauperized in the global value chain.

#### *AQ 5 Corporate food regime agrarian question*

This is associated with Phillip McMichael (2009). Like Araghi, McMichael argues that agrarian question should be reconfigured in the global context. Unlike Araghi, McMichael stresses the specific historical condition of financialization, neoliberalization and creation of a 'global food regime' that fosters a commodity accumulation 'fetish' in agriculture. Corporate food regimes operate in an enclosed space of high end markets,

excluding larger poor masses. Global capital movements organize these corporate food regimes. The peasant economy is reproduced by the terms dictated by these regimes.

AQ5 also uses a world historic perspective on agrarian question of food as struggle over rural livelihood and globalizing generalised commodity production (of labour and capital).

#### AQ 6 *The agrarian question of gender*

This is a variation of the earlier problematic raised by Bridget O'Laughlin (2009) who argued that the accumulation, production and politics have a gender dimension. Non-commodified unpaid labour of women for families has a considerable contribution to the creation of value. The politics of agrarian question should at least understand and raise the issue of gendered division of labour.

AQ6 is critical of conception of struggle and formulation, bringing in a gender dimension.

#### AQ 7 *The agrarian question of ecology and environment.*

The agrarian production and accumulation and rural politics have another dimension, namely biophysical agro-ecological setting, which influences the assets, production process and class formation. The myopic commercial regime that uses up the agroecological resources through unsustainable technologies will begin posing limits on the rates of accumulation. The agrarian question must address, in the light of ecological degradation, caused by corporate agricultural practices, the character of ecological relationships and contradictions of class and ecology (Piers Blaikie 1985, Tony Weis 2007 and Bellamy Foster 2009)

AQ8 suggests political ecology of struggle shaped by the biophysical contradiction in capitalism that are integral to understanding agrarian question.

To arrive at the the contemporary relevance of agrarian question, AL and K argue, one has to assess the seemingly conflicting aspects connected to transformation. While there are complementarities among many of the above, there are a few like AQ6 and AQ7 that come into conflict with the others.

#### **The Agrarian Question in 21<sup>st</sup> Century:**

AL and K argue that neoliberal globalization and the global agricultural export regimes have led to more capital-intensive production. It has increased peasant

differentiation, pulling in the petty commodity producers in the lower order to join these supply chains, only to get entangled in the viability crisis, indebtedness, poverty and semi-proletarianisation throughout the developing countries. Export markets in several countries have replaced home market orientation. Tropical products like cocoa, tea, coffee, spices, maize, sugar and confectionery; temperate products like milk, cheese, edible oils, animal feeds, fish, sea foods, fruits and vegetables, tobacco and cotton are all linked to global value chains. Global agro-business corporations co-ordinate the supply chain management through extending backend infrastructure, cold chains, and contract farming. All this reorientation is aiding rural accumulation among capitalist farms as well as distress among the petty commodity producers. When capital restructures globally, the mobilisation of agricultural surplus is also being globalised.

AL and K further argue that despite the ongoing systemic global subsistence crisis of 21<sup>st</sup> century, there is not going to be any 'death of peasantry' as historian Eric Hobsbawm predicted. There are several other trends like decollectivization and repeasantisation in post-socialist countries like Vietnam, and Central Asia on one hand, and semi-proletarianization and fragmentation without full polarization on the other. All these represent a reconfiguration of livelihoods, increased world farm production, deepening market imperative, and law of value across world capitalist economy under neoliberal globalisation and expanded commodification of natural resources under global restructuring of farm production. This has raised several political questions on the agrarian front which are all connected with peasant question.

For AL and K, all these are not aspects of a linear process, but form a dynamic, multi-faceted and contradictory patterns. The agrarian question appear to have lost the role that it played in the classical transitions, in building accumulation. But now its role has shifted in building global industrial capital. This becomes apparent the moment the question is reconfigured at the global context. While the process of globalisation has brought more and more petty commodity producers into the value chain than before, the consequences of differentiation and pauperization manifest now in more complex

ways. The peasant question has not disappeared but re-emerged as the global peasant question with multiple sub-questions within it.

#### **Notes:**

1. Summarized from A Haroon Akram-Lodhi and Cristobal Kay, "Agrarian Question: Unearthing Foundations" in *The Journal of Peasant Studies*, Vol 37, No.1, Jan 2010, 177-202.
2. From Akram Lodhi and Christobel Kay's Surveying Agrarian Question Part I
3. From Akram Lodhi and Christobel Kay's Surveying Agrarian Question Part II

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# Three Models of Transition: from feudalism to capitalism- England, France and Prussia<sup>1</sup>

(T J BYRES)

Many political debates in India take the agrarian transition in England as the sole/exemplary model of European transition from feudalism to capitalism. This then is sought to be applied to countries across the world to assess the extent, degree and nature of agrarian transition, both in academic literature and political activism. Studies by T.J.Byres argue that in Europe, leave alone in the Americas and Asian countries of Japan, South Korea, the agrarian transition has been extremely varied. The essay presents three examples of England, France and Germany to highlight the complexity of processes that determined and shaped the development of capitalism in agriculture: the institution of full private property rights; the nature of control exercised by the feudal lords over the state; the kind of taxation policy of the state; the demand for agricultural goods; availability of legal recourse for the tenants and peasants to challenge feudal control over their land and labour and other social institutions. While giving snapshots of processes that lasted centuries, Byres gently reminds us that the fortunes of small peasants in these three countries varies over time and the condition of small peasants in 19th century can no way be compared to that of the small peasants of today. Therefore, even though small peasants have always existed, their condition in early 20th century is different from that during the Green Revolution which again is different from that of the post-globalization period. As Byres incisively notes, how useful is it to label the economic structure of the peasant agriculture in contemporary India 'semi-feudal' given that world-wide there is near monopoly of industrial capitalism?

Byres chooses three historical instances to illustrate strikingly different experiences and

paths of agrarian transformation and transition to capitalism. England, the first historical example of such transformation - 'capitalism triumphant' - as landlord-mediated capitalism from below; Prussia, as the example of Lenin's celebrated 'capitalism from above' and France as, 'capitalism delayed'. In general, Byres notes, conflict, rather than harmony, was the principal underlying feature of the relationship between the main classes of feudal society in Europe. Agrarian revolt was as natural to the seigneurial regime as strikes are to large-scale capitalism. In making this point, Byres runs against the fairly widespread current of academic thinking that sees feudal relations as peaceful, non-antagonistic and based on settled systems of obligation and patronage.

## **England: Capitalism from Below**

In the 13th century, the lower stratum of rich peasants held more than 30 acres, while a select few worked more than 60. The rich peasants controlled the commons, declared local custom, and maintained order through running the manorial court with its jurisdictional, punitive and land-registration functions. The existence of a sizeable market for agricultural products motivated them to accumulate more land, which they did through 'the abandoned demesnes (land usually around the manor) of the aristocracy', although, within the village community, there were limits upon the accumulation of land.

These new landlords expanded and reorganised their demesnes and employed professional agents who supervised them and ensured that the labour requirements of the lords were met through 'legally sanctioned coercive powers' to keep the flow of profits steady. Such increased demands, in turn,

created discontent among the peasantry who also had other sources of discontent and social tension.

The earliest signs of resistance manifested in villeins - feudal tenants - raising disputes in royal courts about increased services demanded of them. Groups of such tenants argued that the lords could not make increased demands on them as under the law they also had rights. Therefore they argued that they were no ordinary villeins and so could not be subjected to the lord's arbitrary will. There was also resistance over the collection of tallage<sup>2</sup>, the right to buy and sell land, payment of merchet,<sup>3</sup> the attempt to extract labour rents fully; while there was collective refusal to perform services.

Peasants kept breaking into manor houses and carry away charters, threatened to burn houses and harm the occupants physically. There were many instances of assault, and of 'violent defiance of both private and public authority'. Then, at the end of the 1340s, these social conflicts were intensified dramatically, by the savage impact of the Black Death, which cut the population by as much as 50%. It induced additional seigneurial reaction to control tenants and labour thereby generating further class struggle between lords and peasants, partly giving rise to the English Rising of 1381. But, the 1381 rebels were defeated, and did not secure their goals.

These class struggles had their effect on rents, wages and the viability of feudal estates. Rents fell more or less universally between the early 14th and the early 16th century, making renting out of manorial land decreasingly profitable. Wages, too, rose over the long term. Even though agricultural prices had fallen by ten per cent, real wages had multiplied by nearly two-and-half times and cash wages had nearly doubled. For landlords whose demesne cultivation was increasingly done by wage labour such 'rising wage cost' was of great significance. Landlords increasingly let out their demesne land for money rent, often on short leases, at competitive rents<sup>4</sup>. Hilton refers to this as 'collapsed seigneurial economy' of the 15th century. Many of the nobility went bankrupt. By the middle of the 15th century, there was a crisis, at least partly the result of a successful class struggle waged by the peasantry. Feudalism was no longer workable but the landlord class still owned preponderance of land. But what would take its place?

In a successful bid to make a turnaround in their falling rental income, the English landlord class transformed themselves from a feudal into a capitalist landlord class. By creating a competitive tenancy market, landlords dispossessed small and customary tenants of their rented land; instead letting it out in large units at higher rents on 'economic' leases. Such land, in order to be made suitable for capitalist farming, whether arable or pasture, got to be enclosed, either by the landlord himself, or by the new capitalist tenant, usually the latter. Denied easement, the entrapped small peasants bitterly resisted this enclosure. However, over time such struggles, be they against high rents, to facilitate seizing of land for pasture, or against enclosure, weakened. By the end of the Tudor era the transition had been completed, the new class structure was in place, and the way was set for the stark opposition, in the countryside, of agricultural proletariat with the capitalist employer who was in alliance with a powerful capitalist landlord class. This is how the English agriculture transitioned to capitalism via a reconstituted landlord and capitalist tenant farmers classes.

*In England, a feudal landlord class, rendered obsolete by class struggle waged by a united peasantry, was transformed into a progressive, capitalist landlord class. This class let its land, which was enclosed, in leases at 'competitive' rents. A rich peasantry (or, at least, its upper stratum), emerging from prior feudal differentiation, was metamorphosed into a class of capitalist tenant farmers able to pay 'competitive' rents and earn the average rate of profit. Integral to that outcome was the victory of the reconstituted landlord class over the peasantry during the 16th century, the era of transition.*

#### France: Capitalism Delayed

The French countryside remained feudal until late 19<sup>th</sup> century with small peasants (called manouvrier, who were owners of small holdings and hired themselves out as a labourers) and middle peasants who owned horses and ploughs. Above them were differing categories of rich peasants with a tiny group of very rich peasants at 'the very peak of the peasant social pyramid'. These was a small class of large and enterprising tenants (operating 80-150 acres) in areas of large-scale farming: either the *laboueurs-fermiers* or the substantial tenant-farmers; the *receveurs de seigneurie* (the receivers for the lords of the manors), or *fermiers-receveurs* (farmer receivers). In the 18th century, the indebtedness of small peasants to larger

ones increased. Increasingly small peasants hired themselves out as wage-labourers and there emerged a growing category of landless day-labourers, who worked for wages. In France, however, by 1789, transition to capitalism did not occur.

Unlike in England, priests, nobles, and bourgeois in France almost never managed their properties directly; their domains were extremely fragmented and rented-out as middle-sized farms, even as individual fields. Due to the absence of enclosures a very large number of small peasant proprietors survived. Between the French landlord class and the small peasantry was a class of middlemen called *fermiers-généraux*<sup>5</sup>, comprising businessmen, notaries, shopkeepers. They stood between proprietor and sharecropper: leasing in sharecropping units from one or perhaps more than one proprietor and sub-letting them; perhaps assigned by the proprietor (if the proprietor were a lord) to collect seigneurial revenues; and entrusted with feudal rights of usage. The *fermier-général*, instead of encouraging commercial production, had a vested interest in the maintenance of the old system which guaranteed his own position.

The potential revolutionary role of tenant farmers in France was limited. Though were squeezed by high rents, they remained attached older feudal practices. It is the *laboueurs*, who owned horses and ploughs and made surplus who struggled for a change. They protested against the rack renting. There was a powerful movement for village enfranchisement with demands like fixation of judicial fines, abolition or regularization of the seigneurial tax, eradication of death duty, a fixed rather than arbitrary marriage tax, fixed payments to the lord on alienation of property. The demands also included 'freedom of personal status'.

The French Revolution cleared the ground for a possible unleashing of capitalism. It removed the massive barrier inherent in the feudal relationships which had persisted despite an apparently 'free' peasantry ('free' inasmuch as they were not serfs). It 'destroyed the seigneurial regime and abolished feudal rights, established total right to property. It modified the distribution of land and proprietary rights in land, as church land and the land of émigré nobles were sold. The major beneficiaries were the urban middle class and the rich peasantry. Indeed, 'the French rural community' was destroyed. On the one hand, 'the *laboueurs* ... finally constituted themselves [as] a class', and clearly became the 'dominant class in the countryside'. On the other, "the 'mass of

peasants' - a poor and middle peasantry - 'clung desperately to the traditional forms of production and stubbornly called for the maintenance of the limitations which collective constraint imposed on private property'".

*In France, a clearly unprogressive landlord class displayed no evidence of either transformation into a capitalist landlord class or a class of capitalist farmers; while the rich peasantry, a potential class of capitalists, was constrained, in part, by its surplus being effectively appropriated by the state and by landlords. This continued until 1789, while capitalist transformation was further postponed, until the end of the 19th century, by a relentless struggle waged by poor and middle peasants.*

#### Prussia: Capitalism from Above

During 11-12<sup>th</sup> centuries, lay and church magnates obtained land grants in east of Elbe, encouraged peasants in Rhineland and Low Countries to settle down there as free peasants. Known as Junkers, these 'colonizing German and Polish landowners created villages where the inhabitants were offered freer terms and conditions of life than in the western ones. Peasants were offered land holdings on free and heritable terms, on low money rents and their labour services and payments to church were waived. Superior jurisdictions and fiscal pressures were avoided. Instead of the landlord, his agent (who was given a holding three or four time the size of the peasants), became in effect the immediate lord, presiding over the village court and taking a proportion of the fines (1973, 92).

The situation changed drastically in the 14th century in wake of the Black Death and other such visitations. There was widespread flight from land, leading to depopulated, deserted villages and a serious shortage of labour through the 15th century. The Junkers, leading the seigneurial offensive, began to acquire and farm deserted peasant land as an emergency measure until new peasants are found. However, when the corn prices began to rise in the 16th century it became more permanent. Confronted with a serious labour shortage, both of free wage labourers and of those employed via labour services, the Junkers curtailed peasants' freedom to move, imposed a wage limit, shifted from fixed money rents to competitive rents and, finally extended mandatory labour services of the peasants. By the 16th century, the wage labour multiplied and became the norm. The free peasantry disappeared completely.

However, the Prussian peasantry did not accept the deterioration of their rights and conditions

without resistance. Appeals to princely/judicial authority had little effect and political uprisings were brutally put down. In this class struggle, the Junkers won a crushing victory. By the end of the 16th century, the Prussian Junkers had succeeded, with the aid of state power, in enserfing the free peasantry. The Junker economy developed as a form of seigneurial (feudal) market production in which, by means of extra-economic coercion, the landlords forced the peasantry to shoulder the cost of the labour, horsepower and tools necessary to demesne farming. When serfdom had broken down irretrievably in England and France, in Prussia it was re-established with a vengeance.

But, soon, a thin differentiation began to take place. A tiny minority of free peasants grew who frequently served the Junkers' interests as chief administrative and police officers and directing the village's labour. The unfree peasantry, divided into 'true Bauern', (the middle and large peasants owning 50-170 acres) and those who were not (holding 5-25 acres), i.e., the large class of marginal peasantry beneath the Bauern. All Bauerns had the obligation to maintain draught animals for the Junkers, a specified number according the farm size.

Full and half Bauerns led the class struggle of peasants for the abolition of feudal obligations that began to threaten the feudal order by the second half of the 18th century. By the end of the 18th century the Prussian leadership realised that abolition of feudal dues was imperative. In 1807, in the wake of crushing defeat by Napoleon's armies in 1806, feudalism was finally abolished - nearly 350 years after its demise in England, followed by a period of transition.

If the 16th century was the era of the transition to capitalist agriculture in England, the 19th century was so for Prussia. But in Prussia it was the erstwhile feudal landlords who became capitalist farmers. It was 'capitalism from above'. Let us see how this occurred in detail.

Junkers, just as the English landlord class, retained ownership of their land, enclosed the land of both poor and rich peasants, in the teeth of opposition, - the land they owned and common land. But by the late 18th century, the Prussian nobility had accumulated much debt and in the severe depression of the 1820s the market for grains virtually collapsed, paving the way for decisive changes. A large number of noble estates had to be sold off to the commoners. The new estate owners equipped with fresh capital led the way in the transformation of Prussian agriculture. By the

1850s, the proportion of Junker estates owned by commoners had tripled or quadrupled. By 1856 it stood at 56%. But it was not only the new owners who took to capitalist farming. The old were similarly receptive to new ways.

The Prussian landlord class retained ownership of most of the land, engrossing large quantities of peasant land. But, unlike English landlords, they ceased to be landlords. They were takers of labour rent i.e., they took decisions with respect to the form that production would take such as which crops would be grown etc. Therefore, before 1807 they were not totally divorced from the process of production. Such a landlord class is more likely to transition to hiring wage labour than is the one which appropriates surplus via kind or money rent, which was prevalent in England. Such increase in rent seeking in cash led to the severing of links with production. They also could transition into a class of capitalist farmers but such a transformation is more likely where the landlord class has a direct relationship with labour (through labour rent) and has links with the process of production.

With the disappearance of obligatory labour services, Prussian landlords had lost their captive labour supply. Former serfs, indeed, were unwilling to work on Junker holdings. The relationship with the new forms of labour, however, was not immediately fully capitalist. It involved, initially and for some time, transitional forms. The Junkers, then, did not spring fully-comparised as capitalist farmers from the belly of feudalism. They would take time to slough off their feudal skins. At first, 'peasant labour services and the compulsory farm service of peasant youth on Junker farms were replaced by contractually hired farm servants and the cottager system...the latter [involving] the exchange of labour for an allocation of the land' (Perkins 1984, 5). While farm servants were technically free, there were restrictions on their movement.

This was followed by the system of confined labourers, hired on written short-term contracts. In each case, there was an absence of the money wage. Living standards were pitifully low. Ultimately, the Junkers were forced to employ day labourers, or 'free labourers' (freiArbeiter), paid a money wage. It was wage labour, free in Marx's double sense, but not without the vestigial traces of feudalism. By 1871 the transition was complete. By then the Junkers were, in every useful sense, fully capitalist. It was a capitalism marked deeply by Prussia's immediate feudal past and the powerful subjugation of the peasantry which it entailed.

*There were regions like in east of Elbe in Prussia, where free peasantry were initially brought by early colonizers, only to be enserfed later in 16<sup>th</sup> century. Peasantry resisted the feudal exactions in 18-19<sup>th</sup> century, weakening Junkers. In response to eventual non-availability of serf labour, by mid 19th century, Junker class transformed itself into a class of capitalist farmers, farming with hired labour. The possibility of capitalism from below, via a rich peasantry, was wholly pre-empted by the absence of a rich peasantry of sufficient strength. The Junkers first victory over the 'free' peasantry in the 16th century was marked by imposing feudalism, the 19th century victory over the enserfed peasantry was marked by entry of capitalism - 'capitalism from above'.*

### Relevance of transition debate today

It would be very risky to transfer any generalizations about peasant societies of medieval Europe to any other time. For example, the capitalist farmers who were to be an important element in the history of early European capitalism emerged in a general environment of small-scale enterprise. What could the fate of peasant societies in the present world of almost world-wide commercial and industrial monopoly capitalism have in common with that of peasant societies of the late medieval world? Clearly, the tasks of leadership in contemporary peasant society have nothing in common with the tasks of the past, except in the recognition that conflict is part of existence and that nothing is gained without struggle. To that I might add that when dealing with peasantries, in the past or the present, and however different the one is from the other, it is always important to consider the nature, the extent and the progress of the social differentiation that characterises such peasantries, and the nature of the landlord class.

### Notes

1. Summarized from Terence Byres paper presented at the 2006 Workshop on 'The Peasantry and the Development of Capitalism in Comparative Perspective', as part of the International Conference on Land, Poverty, Social Justice and Development
2. A tax levied by the Norman and early Angevin kings of England on their Crown lands and royal towns.
3. A fine paid by a tenant in feudal England, esp a villein, to his lord for allowing the marriage of his daughter.
4. This form of tenancy (kాలు) is very different from the kind prevalent today in Andhra and Telangana because there is no such thing as seigneurial economy here.
5. An outsourced tax collector in feudal France.



# Is Indian agriculture feudal, semi-feudal or capitalist?<sup>1</sup>

(Praful Bidwai)

*This summary offers insights from the two decade long debate among the Indian academics who sought to understand the tendencies in Indian agriculture and determine if it was feudal or if it was moving away from feudalism towards capitalism. Assessing the mode of production was deemed essential to shape the nature of struggle that the Left politics should undertake. Many field studies from many corners of Indian sub-continent formed the backbone of varying assessments arrived at by participants in the debate. The summary is based on Praful Bidwai's overview of the debate on mode of production in Indian agriculture titled 'Mode of Production Debate in India' included as an appendix in his book The Phoenix Moment. We chose this review over others (such as Daniel Thorner's) as it takes into account the impact of colonialism and also discusses the political implications of each of the positions taken by the participants. The essay concludes that, given the evidence of growth of capitalist relations of production in agriculture, the Orthodox Left should stop fighting 'phantom of feudalism' and focus on organizing and articulating the interests of the landless labourers and the marginal farmers against capitalist exploitation. This debate forms an important and integral part of the broad Marxist debate on the agrarian question that we seek to introduce to the readers through this issue of the Broadsheet.*

A passionate debate raged for one-and-half decades among the Indian and foreign scholars of broadly Marxist persuasion on mode of production prevalent in Indian agriculture during the 1960s and 1970s. The participants included prominent scholars like Ashok Rudra, Amit Bhaduri, Utsa Patnaik, Jairus Banaji, John Harriss, Daniel Thorner, Nirmal Chandra, Pradhan Prasad, Hamza Alavi and several others. The debate raised a series of questions, such as:

- What are the dominant production relations in Indian agriculture?
- Are they 'pre-capitalist' or 'semi-feudal' or 'capitalist'?
- Are landlordism, sharecropping, tenancy, and rent extraction, and unfree labour necessarily semi-feudal?
- How did colonialism impact agrarian relations and land property regime?

- Is petty commodity production in agriculture evolving towards capitalism?

- Which is the main line of class conflict and what alliances should the Left forge?

The exchange of ideas between scholars was built on the foundations of the classical debate on transition from feudalism to capitalism between Paul Sweezy, Maurice Dobb, Rodney Hilton, Takahashi and others in the fifties regarding European and other experiences. Although the participants in Indian debate were scholars and activists who explored various themes based on evidence and argumentation, it's backdrop was provided by radical mobilizations from late 1960s onwards, including Naxalbari upsurge in West Bengal, South India and northern states. The debate, although it did not influence the tactics and strategies of various communist parties, did provide the basis at a broader level for the relevance of a protracted

agrarian people's war vis-a-vis urban working class mobilisation within bourgeois democracy.

## The Beginnings

The debate was inaugurated in 1969 by Ashok Rudra with a sample survey of villages in Punjab. He contended that there had been no significant growth of capitalist farming even in this relatively prosperous region. The category of 'capitalist farmers' - who cultivated their lands with higher proportion of hired labour than their own family labour, generated market surplus and used farm machinery and investment - was not statistically significant among the total number of farmers.

Rudra was challenged by Utsa Patnaik on the methodological ground 'of using unhistorical categories'. She argued that the use of wage labour and market surplus were not adequate to define capitalist relations. Equally indispensable were 'capitalist intensification' or accumulation and reinvestment of surplus value on an ever-increasing scale. Ex-colonial countries like India were characterised by a limited and distorted development of capitalism which did not revolutionize the mode of production. She contended that farm size by itself was not an indicator of feudal or capitalist relations; and that private property could exist with functioning land and labour markets without capitalist relations of production. Paresh Chattopadhyay intervened to argue that this was impossible since property relations were only juridical expression of relations of production.

## Indian agriculture as Semi-Feudal in Nature

In 1956, Daniel Thorner, an American Marxist scholar exiled in India, observed that there were 'built-in depressors' in the production regime in the Indian country side, generated by a combination of legal, economic and social relations unique to Indian society. Skewed land distribution, tenancy with sharecropping, usurious money lending, high rents extracted by landlords, poor technological progress, etc, made peasant-cultivator too impoverished. Such 'depressors' ensured agrarian stagnation and low productivity. This argument came to be seen as describing 'semi-feudal' relations in Indian agriculture.

Amit Bhaduri was a prominent exponent of this thesis. After a survey of 20 villages in West Bengal in 1970 he prepared an elegant mathematical model of semi-feudalism: a sharecropping tenant borrows money for production and consumption purposes from *Jotedar* –the landlord at exorbitant rate of interest. The *jotedar* now has twin incomes of rent and interest; the total output of tenant necessarily falls below this combination of rent and interest; resulting inability to repay keeps the *kisan* in a debt bondage. The landlord can develop a vested interest, not to invest in technology, which may give scope for the tenant to get out of the trap with increased productivity. The semi-feudal landlord becomes the parasite on the producer and the relations of production of the system becomes an obstacle for the growth of production forces in classic Marxian sense. [Any intervention such as access to formal credit, regulation of rent through tenancy regulation and/or new agricultural technology should logically end semi-feudal relation].

These conclusions were further supported by studies of Pradhan H. Prasad in Bihar and Nirmal Kumar Chandra in West Bengal which also argued that landlords would oppose any new technology and would want to preserve the servile relations, low productivity and under-utilisation of resources. All the three concluded that for the period 1951-71 semi-feudal characterisation held true for most parts of India.

Such semi-feudal forces were created and consolidated during the colonial rule and later on, Nirmal Chandra pointed out and continued to hold onto the massive labour surplus on a scale that was probably unparalleled in history. Given the extreme weakness of industrial capitalism in India one could also not envisage any rapid improvement on the industrial front.

Ranjit Sau supplemented Chandra with the argument that small peasants continued to cultivate land despite meagre returns because of lack of alternative opportunities in industry to the point of reducing their own consumption to an unbelievable minimum. Capitalist farmers would face a formidable task of displacing these self-exploiting small tenants.

In a radical shift from his earlier position, Ashok Rudra (1974) criticized Chandra for claiming that there was any such class in West Bengal that resorted to usury and rental income rather than make capital investment in irrigation, fertilizers and new technology. He even gathered micro evidence to demonstrate the trend of concentration of land by large landowners. Rudra wondered why farmers found it hard to find labour during the peak times if there was such a huge surplus labour. Contradicting his own position on Punjab in 1969, he stated that if generation of surplus value using wage labour and appropriation of surplus through reinvestment amounted to capitalist relations in agriculture, such relations were abundant in West Bengal.

### Colonial Mode of Production

Along with understanding of complex relation between 'observable' phenomena like wage, labour, capital formation or size etc many scholars also focused on the complex of juridical, economic and political developments that took shape under the prolonged colonial rule. Crucial were the interventions of scholars like Jairus Banaji, Ashok Rudra, Kathleen Gough, and Gail Omvedt.

Jairus Banaji, to consider one example of the above, took up the issue of the seemingly incompatible coexistence of wage labour and tenant-landlord-moneylender bondage relations, raised by Amit Bhaduri and Utsa Patnaik. He brought in issues of production and realisation to explain the latter. Banaji drew attention to a critical distinction made by Marx between the two forms of 'subsumption of labour into capital'. First was the historical process wherein the small producers get incorporated into the supply chain, Marx referred to this as 'formal subsumption'. The second variety is when workers get incorporated into production. This process of appropriation was referred to as 'real' subsumption. The former involved indirect exploitation of surplus value of peasants, while the latter involved direct exploitation.

Yet, Banaji contended that even the formal subsumption of labour into capital implied that the very process of production had become part of the process of Capital itself,

i.e., of the self-expression of value, of the conversion of money into capital. This in turn implied that capital was here the actual owner of the process of production and the immediate producer was merely a factor in the production process and dependent on the direction of the capitalist. Banaji further argued that without explicit emergence of the capitalist commodity-wage relations at national scale, capitalist relations of exploitation might be widespread. He cited the case of Deccan during 1850-90, when villages were drawn into production of cotton, sugar, groundnut, and garden crops for growing populations of Bombay and Pune. This led to thorough exploitation of the petty commodity producer through unequal exchange and impoverished the countryside while allowing the cities to accumulate. The pure capitalist nature of relation between the peasant and money lender was concealed by the fact that surplus value extorted from small producer would be called "interest". Banaji held that different forms of tenancy prevalent in India therefore were neither pre-capitalist nor semi-feudal, but were perfectly capitalist. It did not matter if the peasants farmed using large number of permanent farm labour or used different forms of tenancy as it did not effect the social character or content of production. Similarly, indebtedness as such could not be seen as hall-mark of 'pre-capitalist' relation, because it was precisely through the power of money that the despotism of capital would initially get established.

Hamza Alavi also held a similar perspective. Alavi held that peasant farming continued in India on the basis of largely unchanged techniques. But it was nonetheless subject to formal subsumption of labour by capital through extraction of rent and at a later stage, by 'real' subsumption through direct exploitation of labour under capitalist relations of production. Peasants, he argued, were more resilient than urban petty commodity producers because they need not depend on market for their food and shelter and desperately held onto their tiny plots of land. But their conditions were progressively undermined by the 'dynamics of peripheral capitalist development'.

Kathleen Gough on the basis of her analysis of Thanjavur district of Tamil Nadu, argued

that the capitalist mode of production was dominant for late 19<sup>th</sup> to 20<sup>th</sup> century despite the persistence of certain pre-capitalist features, like giving traditional gifts, caste discrimination, corporal punishments to labour etc. During 1947-80 Thanjavur district experienced remarkable growth backed by adoption of new technology in hybrid seeds, fertilizers, pesticides, tractors, tube wells, and electric pump sets. She noted a continuous rise in deployment of machinery and other tools (organic composition of capital) particularly among large holdings and the extraction of relative surplus value.

Omvedt and Rudra brought the issue of caste oppression into the discourse, to argue for the need to fight both social oppression and caste exploitation simultaneously. Omvedt held that capitalism was dominant in Indian agriculture now, unlike in pre-Independence times, because of dependence of over half of rural population on wages, generalised commodity production, marketed surplus, means of production in agriculture produced industrially and modern methods of cultivation. In short, the dominant mode of surplus extraction was capitalist.

Rudra made a foray into history to argue that proponents of Indian feudalism like R S Sharma or BNS Yadav were comprehensively wrong. He held that the struggle against reactionary element of Brahmanic ideology should constitute an important element in any struggle for progress in the countryside.

The debate was greatly enriched empirically by a discussion of the rural class structure in its interplay with caste by Mencher, Chandra, Patnaik, Rudra, Prasad, and Bardhan among others. They engaged with issues of labour exploitation, the complex and changing relationship between strata of peasantry, the 'hybridity' of class of big landowners (part feudal, part-capitalist) and the growing or emerging contradictions between the landlords and big peasantry on the one hand and the poor peasantry and landless labour on the other. Further insights were provided by Jan Breman in his work on different forms of labour bondage and their compatibility with capitalism, and the historical analysis of landlordism in Bengal by Rajat Ratna Ray.

Also explored in the discussion was the emergent bonding between different class and caste groups in the Hindi belt; the

changing power balance between the traditionally dominant upper castes and the rising middle castes (OBCs), a phenomenon that would soon lead to the 'Forward March of the Backward' and the Mandal scheme of reservations for the OBCs.

The majority opinion here was that most important contradiction in the countryside was between the big landowners (including the rich peasants) and the labourers (landed or landless) –although there were differences on the role of middle peasant and other issues.

#### **Political Implications of this debate/ Implications of the debate for political practice**

At the end of one-and-half decades of the debate, Alice Thorner concluded, "there would no longer appear to any doubt that capitalism today dominates Indian agriculture as it already was generally seen to dominate industry. Does this mean that the mode of production which prevails in contemporary India is capitalist and subject to the Marxist laws of motion of capitalist development? Here, the answer is less evident, since India's capitalism has emerged in a colonial setting, markedly different from conditions in metropolitan countries where capitalism was born". Yet argued Thorner, "it has been abundantly shown that the existence of widespread tenancy, and/or sharecropping does not necessarily indicate feudal relations of production, nor does concentration of landholding together with cultivation of small units by large number of peasants. By the same token, the use of wage labour cannot by itself be taken as a sure sign of capitalist relations. Yet, the shift from exploitation through tenants to large scale or intensive farming by means of hired labour is significant".

Further Thorner argues, "the growth of capitalist farming in India has been accompanied by, in fact amounts to a transformation of relations of production and forms of exploitation. Servile, debt-bonded, and/or traditionally tied labour has been largely supplanted by free, relatively mobile, wage labour, paid in cash. Investment in modern scientific agriculture has enormously expanded, and has resulted on the whole, in enhanced production, at least in certain areas in certain crops. Tenancy and sharecropping

arrangements have in many regions been adapted to new economic and technical requirements. Nevertheless, there is agreement that capitalism in agriculture cannot be depended upon to solve the crucial problem of access to land and to food of whole rural population".

Rudra and Chakravarty reached an important political conclusion that "orthodox Left standpoint in this country has been that main enemy of progress in rural areas is feudalism. This gave rise to demand for land to the tiller. Feudalism being the only enemy, the orthodox Left parties have treated, in practice, all remaining classes from rich peasants to landless labour as possible allies. Feudalism in countryside is considered as regressive and emerging capitalism as progressive. However, tenancy is not necessarily any more feudal or any less capitalistic as in a non-agricultural setting."

Rudra, who started the entire mode of production debate, had the last word on its political significance. "In the meanwhile, the political interest of landless labourers and poor peasants has gone by default. That is bound to happen whenever attempts are made to build a united front of all non-feudal rural classes against a phantom of feudalism. The orthodox Left parties have thus ended up by supporting the emergent forces of agrarian capitalism to the hilt in the name of fighting feudalism". This comment was doubtless eloquent, and acerbic, even vitriolic. But it drew virtually no response from the 'orthodox' parties at which it was directed.

Four decades later, the understanding of the major Left parties, including the ML, continues to hang onto the 'semi-feudal' character of Indian agriculture and is still focused on either organizing or speaking on behalf of the farmers or peasants as an undifferentiated sector. Despite the large scale evidence of real subsumption of agriculture into capitalist relations of production, very rarely do we find the interests of the landless labourers and poor peasants being spoken about separately.

#### **Note:**

1. Praful Bidwai, *The Phoenix Moment: Challenges Confronting the Indian Left*, New Delhi: Harper Collins, 2015.

# Is Class Struggle the Prime Mover in Transition from Feudalism to Capitalism?<sup>1</sup>

(Stefan Epstein)

*This is a summary of a paper by Stephan Epstein presented in 2006, which critiqued the Maurice Dobb/Rodney Hilton thesis that a class struggle between serfs/peasants and feudal lords led to the transition to capitalism. Epstein's paper provides substantial insights into the historical complexity of the transition to capitalism in agriculture, and argues that the contradiction between the rate of development of productive forces in agriculture and the institutional constraints of the feudal political economy was the primary one leading to the capitalist transition. The reader may observe the theoretical differences and resonances with Terence Byres' paper summarized in this broadsheet.*

Rodney Hilton's name is synonymous with the 'prime mover' thesis. He was a founding member of the Historians' Group of the British Communist Party, and the editor of *Past and Present* during 1942-68. Hilton was enormously influential in pre-1968 Marxist debate in extending Maurice Dobb's thesis that the 'class struggle' between the serfs/peasants and the feudal lords was the 'prime mover' in the transition from feudalism to capitalism. In the essay summarized here Epstein argues that the Dobb/Epstein framework is inadequate to analyze the temporal and spatial dimensions of capitalist transition in Western Europe. Transition to capitalism, Epstein argues, should also be placed in the context of complex political, social and technological changes that led to the undermining of feudalism and development of capitalist forces of production.

## How did feudalism begin to fail in England/Europe?

Epstein begins with a critique of Maurice Dobb's work that had a crucial influence on Hilton and most other British Communist historians. For Dobb feudalism faced a 'general crisis' in England in the 15<sup>th</sup> century as it was fundamentally an inefficient system that was destined to fail. That failure was caused by systemic disincentives to capital accumulation and technological innovation, and peasant over-exploitation, which in turn gave rise to a class conflict between peasants and feudal lords.

If feudalism is to be characterised as an inefficient mode, Epstein asks, how does

one account for its success in expanding territorially, economically and technologically, for more than half a millennium before it is hit by the crisis; we do not find a positive theory of development of feudalism here. Dobb's reading of pre-capitalist epochs, he argues, was mediated by the theories which argued that feudal societies were scarcity-driven and did not respond positively to price incentives and markets.

The second weakness of Dobb's model, according to Epstein, was its overwhelming focus on English history. There were good reasons for this, including the paradigmatic nature of England in Marx's narrative of the transition to capitalism and the state of historical research at the time Dobb wrote. Confining the transition debate to the English experience helped to mask the difficulties that a strictly Marxist class-based analysis will face in explaining the problematic of uneven development. Two critical questions were never posed. First, why did the transition to capitalism occur first in Western Europe, even though parts of Asia were previously economically more advanced? And, second, why was the English economy between 1400 and 1700 able first to catch up with, and then to forge ahead of, previously more advanced Continental European regions?

Hilton's documentation of rural struggle and resistance against landlord exploitation was crucial in establishing feudalism not as a stable and static social order, but as an unstable social system riven with

contradictions. The conflict between peasants and landlords led to the differentiation and transition; eviction of self-sufficient peasants to benefit a class of wealthy peasants who increasingly produced for market. This change generated large numbers of dependent wage earners who had to meet most of their living requirements through the market. For Hilton, Epstein notes, it was ultimately the class struggle that gave rise to agrarian capitalism and competitive capitalist markets of sellers and buyers. Class struggle was the prime mover, that 'explained' the transition to industrial capitalism. However, Epstein asks if the dispossession of economically self-sufficient peasants from the land is a necessary and sufficient cause for the rise of a technologically dynamic, fully commoditized, capitalist mode of production.

To answer these comparative historical questions, Epstein says, it would be necessary to introduce the two pillars of Marxian analysis that were either weak or missing from (Dobb's and) Hilton's account: a theory of technological development and a political economy of states and markets.

1. Both for Dobb and Hilton, Epstein notes, technological progress during feudalism was so primitive that it did not matter. Hilton had argued that the landlords invested at the rate of a mere 5 percent, which was insufficient to support 13<sup>th</sup> century productivity. Rather than invest in capital, the lords tended to invest in maintenance of a large retinue and army; to spend most income on personal display; to upkeep their social and political standing. The peasants, burdened by feudal rent - feudal exactions, ecclesiastical tithes, arbitrary royal purveyancing, and growing state taxation - and land fragmentation were deprived of the necessary surplus for investment in capital stock. But, Epstein points out that a net annual rate of capital accumulation of 5 percent in the 13<sup>th</sup> and 14<sup>th</sup> centuries is not too low for a preindustrial economy. Hilton's subsequent emphasis on rising land-man ratio caused by the Black Death as leading to class struggle too, is inadequate as an explanation, because, he argues, the land-man ratio was also never stable or consistent due to wars and many other factors. Such endogenous factors did not matter for Hilton.

What about the exogenous factors? Epstein argues that Dobb and Hilton moved towards acknowledging growth of petty

commodity production under feudalism and the active role played by the State in the growth of institutional framework, although they did not think their model through sufficiently.

2. The second important question was that of the role of trade in feudalism. Was feudal mode of production primarily a subsistence economy or did they produce for the markets too? Epstein notes that, even though such a possibility of peasant petty commodity production was not acknowledged by Dobb and Hilton (in the 1940s), they had to reconsider that position in the later years, in the face of the overwhelming evidence on monetisation of peasant production in the late medieval period. Growing trade enabled production for markets thus offering the producers, 'both the means and the motive for improving cultivation' and for engaging in petty commodity exchange. It led to class differentiation and capital accumulation within the economy of small producers.

3. Third is the role of the State in the growth of institutional frame work. Epstein notes that even though these factors were not important for Hilton initially, he did come round to a more positive view of this characteristic feature of feudal society, perhaps influenced by Perry Anderson's *Lineages of the Absolutist State* (1976) which introduced Weberian definitions of feudalism based on 'jurisdictional fragmentation' into the Marxist canon. Eventually Hilton included three factors linked with decentralized power among European feudalism's five principal characteristics: i) Decentralised power in feudalism as an essential aspect, not a weakness, of feudal society; ii) Landlord power for the purpose of surplus extraction as expressed through private jurisdiction; iii) 'Feudal rent' that included payments for seigneurial monopolies (including, presumably, taxation of trade); iv) Peasant commodity production as central to feudalism and 'provided the bulk of landlord income'; v) Merchant capital and large-scale urbanization denoting 'a further development of this money element in the relations of production'.

#### **Where do we go from there?**

For Epstein, a theory of the feudal mode of production and of the transition to capitalism requires a clear definition of the historical beginning and end. He defined feudalism as a social-economic formation featuring a prevalence of:

1. Decentralised power to landlords, expressed through private jurisdiction;
2. 'Feudal rent' includes payments for seigneurial monopolies (besides commercial taxes);
3. Centrality of peasant commodity production to the economy and
- 4) Money element introduced in the relations of production by mercantile capital and urbanization.

For Epstein, any theory of the transition from feudalism to capitalism must, at least, answer the following historical questions:

1. How did agricultural supply keep up with growing population (demand);
2. Second, how did exclusive property rights develop;
3. How did the wage-based, non-agricultural sector expand, such that the share of population employed in agriculture fell from c.90-95 per cent at the outset of feudalism (across Europe, c. 1100) to c. 30 per cent as the capitalist socio-economic formation was taking full shape (in England, c. 1800); and
4. How did technology in the energy and manufacturing sectors progress, as Marx put it, 'out of the hand-mill into the steam-mill'?

#### **Feudalism and trade - emergent contradictions**

Epstein draws on the substantial body of research which demonstrated that agricultural supply in medieval and early modern Europe was far more elastic than either Marxists like Hilton or 'Ricardo-Malthusian' pessimists like Postan assumed. The major bottleneck to productivity gains in feudal agriculture was not technological, as Postan claimed, for the best technology of the times was already available to 13<sup>th</sup> century agriculturalists that was adequate to supply food to a growing population. The most notable feature of feudal agriculture was, by contrast, the astonishing inefficiency with which best practices were applied: feudal political and jurisdictional fragmentation and warfare; resulting failures in coordination; and lack of investment in public goods such as transport and commercial arrangements, credible and predictable justice and financial and political stability.

His method foregrounds feudal state and society on which economic aspects are seen as dependent. Here property rights are understood to include a broad set of institutional practices that make the right work rather than as a narrow idea of

individualized ownership. Such methodological departures enable him to focus on all such conditions that made investment in agriculture profitable, rather than focus on the technical or organizational characteristics of feudal agriculture itself.

Epstein laid out his model of feudalism as follows. In the feudal-tributary mode of production, most rural producers owned their means of production and sold a portion of their produce on the market. Therefore, they responded positively to changes in supply and demand and relative prices. Feudal lords (who included the ruling elites in towns with jurisdictional prerogatives over the hinterland) extracted an agricultural surplus from the peasantry through decentralized legal compulsion backed by military threat; the surplus was extracted directly as rent in cash, kind or labour, and indirectly through taxation, levies on trade and the provision of justice. Although the relative share of income from different sources varied over time and space, the share from rights of jurisdiction (which sometimes also included compulsory labour services) was always substantial. The principal threat to feudalism thus did not come from trade - up to a point feudalism thrived on trade.

He argues that the main obstacle to agricultural growth in the feudal economy was the cost of trade, which was largely defined by institutional regulation and tariffs; by political and military stability; and to a lesser extent by developments in transport technology. The lords' and towns' main purpose in stimulating trade was to maximize rents from their jurisdictional rights. Those rights were a basic feature of their social and political power. As a result, the introduction of jurisdictionally 'free' trade did not just lower feudal and urban revenues - it also challenged the superiority of lord over peasant and town over country.

However, in the longer run, he points out that strong feudal and urban jurisdiction became incompatible with agrarian development. By the later Middle Ages, agricultural innovation was inversely correlated with the intensity of seigneurial rights, and rural proto-industrial growth was inversely correlated with the jurisdictional powers of towns. This brought the heart of feudalism's central contradiction to the fore: the political economy of feudalism was necessary to establish markets and to coordinate economic activities during its first great phase of expansion (c.950-1250), but already by 1300 that same political economy - which

combined market monopolies and the coordination failures arising from political and jurisdictional parcelization - had begun to fetter further growth. So, by 1300, the fundamental constraint on feudal agriculture came from feudal institutional constraints, rather than from technological inertia.

Moreover, Epstein notes that, beneath these overarching features, the political economy of feudal Europe displayed strong diversity. In most of Western Europe, the use of lordly powers of coercion to tax and monopolize trade, which kept the economy substantially below its full agricultural potential, was counterbalanced by the lords' strategy of territorial expansion through localized war. Although the main goal of territorial expansion was to increase the total available political and economic resources, expansion also improved economic efficiency by increasing jurisdictional integration, reducing transaction costs within the new territory, reducing seigniorial dues, weaken or abolish rival feudal and urban monopolies, systematize legal codes and legislation, weights and measures, help coordinate markets and reduce opportunities for pillage and warfare, and restrict rulers' opportunities to act as autocratic 'stationary bandits' against their subjects.

Thus, Epstein notes, gradual political centralization weakened decentralized mode of economic coercion. Property rights over commercial transactions now got sanctioned by a centralized state-induced economic coercion. From the 15<sup>th</sup> century, economic aspects began dominating political decision making. By embarking on the road to centralized, monopolistic jurisdiction, early modern states also laid the institutional bases of modern capitalism and capitalist class struggle.

In sum, Epstein notes, agricultural expansion in the feudal system was the result of two countervailing forces, one pressing for military and jurisdictional decentralization, which made trade and investment more costly, the other is the increased political and jurisdictional centralization, which reduced the costs of investment and trade. In the long run, the latter prevailed, leading to a reduction in transaction costs, stimulating commercialization and specialization. The 'prime mover' and the 'contradiction' within the feudal mode of production lay in the

relations between lords, peasants, markets and the state.

### **Technological innovation in the transition to capitalism**

Due to underdeveloped agricultural and botanical sciences and weather and market risks, technological innovation in agriculture was slow. But Epstein argues that industry could not have experienced a capitalist transition without the technological progress achieved by the pre-modern craftsmen and engineers. In fact, it explains why feudal Europe was able to catch up with and forge ahead of its Eurasian peers.

Epstein tracks technological progress in feudal Europe as follows: such knowledge was largely tacit and experience-based and it was not possible to reproduce it in different places in the absence of codification. Movement of individual experts was quite costly and made transfer of such customary knowledge quite slow under feudalism.

From the late 11<sup>th</sup> century, however, a distinctive 'feudal' craft-based apprenticeship training through guilds emerged, along with the demand for skilled workers. Membership in these guilds was non-ascriptive which enabled skilled workers to move from city to city with few restrictions or penalties; inter-state competition for technology and high-status consumer goods were held due to which such specialized knowledge could circulate and cross-fertilize; such technicians could move where their skills were most required. The costs of such technical dissemination fell over time in response to growing inter-state competition for skilled workers, and due to urbanization.

Urbanization, especially the development of regional and national metropolises after the late medieval crisis in 15<sup>th</sup> century, offered improved opportunities for exchange of knowledge; higher average quality of labour, a greater likelihood of matching skills to demand, and stronger incentives for knowledge modelling and codification. Migration of skilled artisans from central and northern Italy (1200-1450), to the southern Rhineland and southern Netherlands (c.1450-1570), to the Dutch Republic (1570-1675) and finally to Britain after c. 1675 helped to draw on the accumulated knowledge of its predecessors, recombine it with local experience, and develop the knowledge pool further. This gave rise to a sharp, secular increase in the

rate of technical innovation and diffusion across western Europe. A second marked increase in the rate of innovation followed the 'seventeenth century crisis', when coordination within states and competition between states increased sharply.

A considerable growth of manufacturing in the urban and countryside since 14<sup>th</sup> century resulted in an unusual absorption of labour in proto-industrial activities in England. The rising rural proto-industry threatened traditional urban occupations and the urban tax base, and was frowned upon by town rulers. It also had to be careful not to absorb displaced peasants overnight that could anger the landlords. Gradual alienation of labourers from means of production, which made them footloose, and find employment in non-agricultural sector eventually undermined feudal coercion.

In conclusion, the underlying, unifying factor of the two great 'feudal crises' of the Marxist canon, is the rate of development of the productive forces.

### **Note**

1. Stephan R. Epstein (1960- 2007), was a British economic historian, and a professor at the LSE. This is a summary of his paper titled "A Critique of Rodney Hilton: on 'the Prime Mover' in the Transition Debate" published by Department of Economic History London School of Economics, 2006, as a working paper ( No. 94/06 ),

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# The Agrarian Question

**(Karl Kautsky)**

*Karl Kautsky was an outstanding leader of Social Democratic Party in Germany during 1880-1910, whose Die Agrarfrage (The Agrarian Question) published in 1899, was hailed by Lenin as a significant work on the question of small peasants. Kautsky's assessment of the survival of peasant production alongside capitalist production, instead of the presumed decimation under growth of capitalist relations of production in agriculture, presented a programmatic challenge before the Social Democrats to evolve a worker-peasant alliance. He saw continuation of peasantry which is totally subsumed under capitalist mode of production. Kautsky fell out of favour after he opposed October Revolution and was largely forgotten for a very long time until his work was rediscovered in 1980s. His work is now being considered extremely useful to understand agrarian question worldwide. We present a summary of central argument of his book which is useful for the Indian debate on agrarian question.*

Marx's method of understanding agrarian question is not how the big farmers would swallow the small nor to ask whether small landholders have a future. Rather, it has to consider all the changes through which agriculture has passed over the course of capitalist mode of production, how capital is seizing hold of agriculture, revolutionizing it, making old forms of production and property untenable and creating the necessity of new ones.

## **Peasant and Decline of Feudal Period**

[A] medieval peasant household was a self-sufficient entity not only in producing the output but also in the means of reproduction. What happened in the markets impinged only on the farmer's comforts and luxuries, but not his existence. This self-sufficient and cooperative household, previously indestructible, now became subject to market upheavals. With the development of towns and commercialization, this peasant's life changed. Growth of unknown destinations for the agricultural commodities brought new opportunities that lured the peasant. Yet, direct sale to final consumer became ever more difficult with increasing 'commodity' character of agricultural production. Merchants who mediated gained far more leverage to manipulate and took advantage. Dealers in grain and cattle were soon joined by the usurer.

Market uncertainty added to the weather uncertainty that made mayhem of markets. Increasing availability of consumption and production loans, not available till now, turned into instruments of integration of peasants into new system. The commodities of urban industry that reached the village also sowed the seeds of dissolution of the traditional peasant family. With growing dependence on markets, and cash needs, but with no availability of surplus land, peasant households had to reduce its size by pushing out members to work outside its farm. The Peasant farm is then cut to the minimum, managed mostly by the family labour. Once farming yields to the logic of surplus, the only saleable commodity that remains is labour power. The peasants now work for large farms. Small farms jostle with large farms, and struggle to survive rather than lose the small parcel of the land. Development of capitalist production in towns would speed up the transformation of the peasant life in the village.

## **Modern Agriculture**

The contribution of modern science and industrialization since mid-nineteenth century in changing agriculture has been remarkable. The introduction of deep ploughing after the arrival of steam ploughs and electrical ploughs, knowledge of microorganisms (with the invention of

microscope), discovery and use of fertilizers, increased knowledge of soil nature, have all tremendously increased the productivity in agriculture. Intensive cultivation has almost replaced extensive cultivation thereby overcoming the land constraint in increasing production. The development of soil, chemical, botanical, veterinary and agricultural sciences in Europe have unleashed productivity in agriculture, which in turn demanded investment in infrastructure, machinery and adoption of new practices in farm management. The growth of engineering and metallurgical sciences and invention of steam engine transformed transport that reduced not only human drudgery but also the labour cost besides saving time. A sector that was devoid of any progress for centuries suddenly became a revolutionary branch of modern industry. Agricultural sciences were introduced as vocational course. Agriculture was completely transformed, not merely in the sense of being more productive, it turned into an enterprise of conserving costs and increasing profits.

## **Capitalist Character of Agriculture**

This modern agriculture cannot exist without money, capital and the generalized character of commodity production. Law of value, which decides the relative value and price through competition, gets established gradually. This does not of course suggest that prices would necessarily reflect the value of the commodity or labour embodied. While it is the use value that should determine the value on any good, it is the exchange value that determines the value in practice. The exchange value is determined by both relative demand for the commodity as well as the extent of labour involved, i.e., the cost of production, the necessary condition of determining the value of any good. However, the price which is the market device to reflect the value need not conform to the latter. Price can deviate from the value, even falling below the cost of production, if the supply overshoots the demand. This dichotomous tendency of price and value under capitalist economy is the fundamental route/ basis of translating surplus value into money value.

Markets existed for centuries in history. Those markets were based on simple commodity production, which involved direct interaction of producers and consumers facing each other. Such markets existed in

conjunction with feudalism, guilds, etc. The capitalist commodity production which superseded the simple commodity production is at its culmination point. Workers, who were erstwhile producers, are now alienated from means of production, and become available for surplus value to be expropriated. The involvement of this intermediary who/that now links the value and the price led to the obscuring of the law of value. The now universally operative price, distorts the value by modifying its operation.

Just as Marx explained, the price determined by the market does not necessarily conform to the value of the commodity, a distortion that indeed helps the capitalist to convert the surplus value into profit. Price of an agricultural commodity, in fact should be comprised of three components, wage, rent and profit. It is usually to be set by the least productive farm, owing to higher cost of production. However, under competitive conditions and excess supply, the market determined price tends to erode the profit and even to non-recovery of cost of production. Agricultural markets pose this risk too often due to the specifically unpredictable nature of agricultural production which depends on weather, pests etc. Even though such a risk is equally faced by large and the small peasantry, the ability of the latter to receive the shock is limited. The position of tenant farmers is even more vulnerable. The capitalist owner-cultivator is cushioned by higher surplus that includes absolute rent (which is retained) in addition to surplus extracted from labour. Still the price crashes in agricultural output market may erode these advantages.

Agricultural capitalist enjoys profit from sources other than surplus labour, which is the ground rent, except when he is a tenant. Ground rent involves two components, absolute rent and differential rent. Absolute rent is determined by the least productive land and differential rent determined by relative levels of productivity of the rest of the lands. As the demand for food rises, the ground rent is likely to rise. Unlike the machinery which needs replacement, land is not a kind of capital which has a replacement cost. Hence, rent simply accrues to the landlord due to the property right alone rather than for any contribution. Capitalist farmer, who also owns the land enjoys a

profit which involves the surplus value plus the ground rent built into the price.

### **Technical Superiority of Large Farms over Small Farms**

Feudal lords previously cultivated their own lands using human and animal labour with their servile peasant labour, making few improvements to the land. The arrival of capitalist agriculture changes this very structure. The same peasants now become proletarians; the farms now produce for market with a view to earn profit, and farm owners adopt modern means to optimize costs and increase productivity.

Large size farms have several advantages over the small farms in this regard. First, large farms have greater share of cultivated area than small farms, for having lesser land lost in fencing, boundaries and bunding. Second, they can afford deployment of modern agricultural machinery like steam ploughs, reapers, seed drills, threshers, horse-drawn ploughs and transport carriages compared to small farms. Use of machinery not only increases the quality of operation but saves time which is a critical factor in farming. Third, with increased educational training in agricultural sciences, large farms would employ technically qualified farm managers, who have the necessary knowledge to change cropping pattern according to changing demand conditions, use appropriate farm management practices, optimize costs and increase productivity. Fourth, modern management of large farms allows better planning, operational efficiency, scale economy, book-keeping, and meticulous cost monitoring. Compared to these advantages, a small peasant holding may be economically more efficient at a micro scale. But the size of the large farm reduces the average cost of overheads, and increases the profits proportionately, making them superior to the small farms. Finally, access to banking system and larger savings make large farms undertake high risk investments.

### **Overwork and Under Consumption of Small Farmers**

Small farmers have two weapons set against the large farms. First, they provide industrious care in farming i.e., they spare no effort in exploiting themselves to the utmost. Second, as the fragility of small

independent peasant is ever greater than even that of agricultural labour, the small peasants not only flog themselves into this drudgery, but their family members too. Everyone has to share the yoke as there is no distinction between the farm and the household –which includes men, women, sons, daughters and even old people. They subject their own children to utmost harsh labour. Except culturally imposed holidays, every day is a working day for them. The demand for eight-hour appears quite modest in comparison.

Overwork begins once labour for the producer's immediate consumption turns into labour for the market, impelled by the goad of competition. Competing through lengthening working day goes hand in hand with technical backwardness. As an enterprise that cannot fight off competition through technical innovation is forced to resort to imposition of even greater demands on its workers. The possibility of prolonging work time will in turn work as an obstacle to technical progress. Child labour becomes the norm, which undermines their education and capacity to enter skilled labour.

The miserliness of the peasant begins when their farms fall under the sway of competition, denying them even smallest of pleasures and comforts of life. The small peasant passes the most miserable existence that can ever be imagined. Sometimes, wage labourers are healthier than the small peasant, because he neglects consuming even the minimal diet. The low equilibrium of anemic peasant is supported by a malnourished child labour and undernourished old members of the family on demand.

The existence of drudgery also brings its own rewards: the peasant can manage under the most miserable conditions. One has to confess that as far as the subhuman diet of the small peasant is concerned, it is no more an advantage of the small farm than its superhuman industriousness. Both testify to economic backwardness and represent obstacle to economic progress.

The greater care taken by the small peasantry in their work is ruinous for them due to their drudgery and excess frugality. While it's true that workers working for themselves exercise more care towards work than working for others, this is not necessary for a large farm

which is equipped with means, capital, technology and organizational capacity. The other weapons of the small farmers' arsenal – over-work, undernourishment and accompanying ignorance offset the effects of the greater care.

### The Cooperative System

The cooperative system is of an undeniable importance to the survival of small farmers. But, the question is whether the small farmers see its advantages and agree to it. Even if they agree, how far can the cooperatives survive? Most functional cooperatives are credit cooperatives that operate in allied activities such as dairy and sugar. Mere credit cooperatives have limited benefits. Production cooperatives need lot more coordination among farmers even as they can substantially increase the bargaining power over the price. And cooperative would benefit farmers only when they are directly involved in running it. The experience is such that large farms are much more keen in forming cooperatives than small farmers, though they benefit all. Peasants rarely come together and form cooperatives by themselves, more proximate reason being lack of trust among themselves and inability to shift to an outside agency over the household.

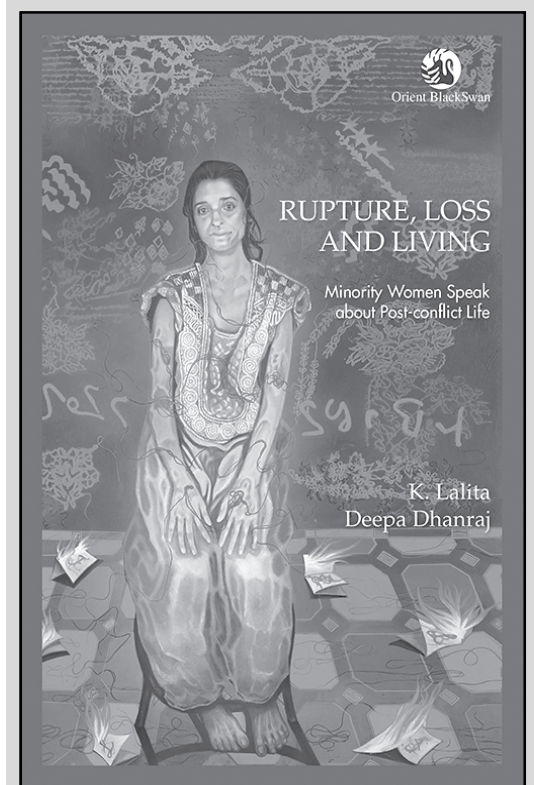
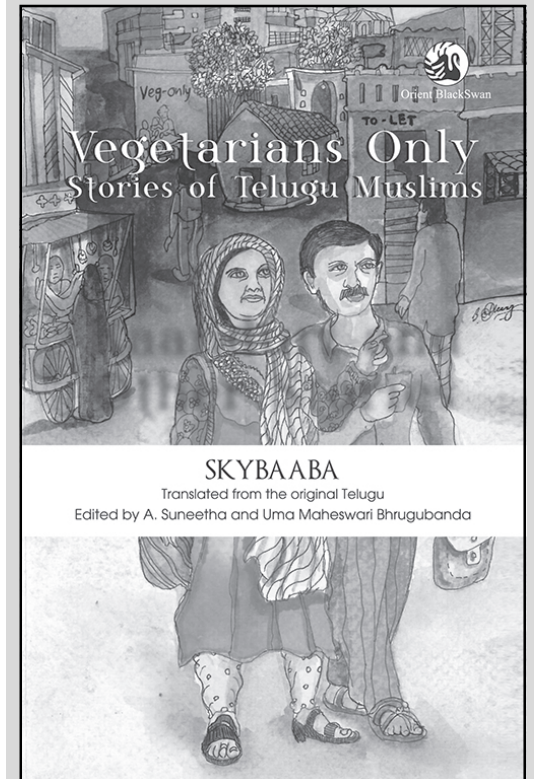
However, lack of organizational discipline and lack of democracy in organizing cooperatives would not favour small farms. Large farmers can engage in cooperative activity much more easily than small peasants for a variety of reasons such as, they are relatively few in number who can coordinate well among themselves, and will have necessary leisure and social capital. The current evidence in Germany and France suggests either gradual or abrupt closure of the cooperatives. There are very few cooperatives that withstood the test of time. It is not that peasants have not benefited from them. Small peasants, besides lacking skills, also suffer from attitudinal problems like pettiness, lack of mutual trust & cooperative spirit and too much attachment to their property. Hence, peasants do not naturally come together to try the cooperative alternative between the compelled transition of small farmers to large farms.

### Limits of Capitalist Enterprise

In spite of conclusive evidence of inherent superiority of large farms, we also have to explain the existence and sometimes proliferation of small farms beyond Germany, including those in England, and France. Even bourgeois economists right from Adam Smith and Sismondi have expressed their approval of small farms over hitherto existing latifundiums where tenants farmers precariously existed under duress. In England small farms did not decline, in Germany mid-size farms increased, in France small farms proliferated, during 1840-1890. Number of large farms increased only in the USA, which had a different history. This contradictory statistics indeed suggests there is no necessary link between size of the farm and capitalist relations in agriculture. They certainly call for need for further research. We must understand that even in industry, there is no linear decline or demise of small enterprise. There are always pockets in which small enterprise survived taking advantage of their abilities to survive (p.144).

Further, unlike in industry, large scale farming is not always superior in agriculture, which is contingent on nature of crop, relative requirement and availability of mechanization. There are crops that require close and compact monitoring which are better managed by small farmers (p-148). Similarly, shortage of labour power and high wages can make capitalist farms impossible at times. Before the mechanization solves the labour shortage issue, small farms need advantage of unpaid family labour to compete in the market.

Large farms can also have vested interest in keeping small farms alive, which assures them labour supply in the country-side by preventing complete migration of labour. It also keeps the wages in check, small farmers who get part of substance from their farms tend to accept lower wages. It is not uncommon to see large farms to coexist with small farms in several regions.



# Peasant Question in France and Germany

(Friedrich Engels)

*Engels wrote this piece in 1894 as a perspective paper for the French and German Social Democratic Parties that were contemplating addressing the plight of small peasants in their election manifesto, and to forge an alliance of workers and peasants. It was a rebuttal of various French Socialists like Vollmar and the agrarian program adopted in Marseilles in 1892 and supplemented in Nantes in 1894 (Frankfurt Congress of German Social-Democrats). Engels clearly takes a view that small peasants (or for that matter even big peasants), cannot survive the intense competitive pressures of capitalism that pushes them into indebtedness and pauperization. He suggested that the Party should organize them into cooperatives and eventually convince them for nationalization of their landed property but never collectivize the property forcefully.*

The bourgeois and reactionary parties greatly wonder why everywhere among Socialists the peasant question has now suddenly been placed upon the order of the day. What they should be wondering at, by rights, is that this has not been done long ago. From Ireland to Sicily, from Andalusia to Russia, and Bulgaria, the peasant is a very essential factor of the population, production and political power. Only two regions of Western Europe form an exception. In Great Britain proper, big, landed estates and large-scale agriculture have totally displaced the self-supporting peasant; in Prussia east of the Elbe, the same process has been going on for centuries; here, too, the peasant is being increasingly “turned out”, or at least economically and politically forced into the background.

The reclusive and disengaged peasant life with respect to national politics makes way for various kinds of parliamentary corruption from Roman times to present day Paris or Russian despotic rule. Since the rise of the working-class movement in Western Europe, the bourgeois succeeded in creating suspicion

of the socialist workers in the minds of the peasants. Socialists are blamed as people who want to “divide up”, as lazy, greedy, city dwellers who have an eye on the property of the peasants. The hazy socialist aspirations of February 1848 Paris Commune were rapidly disposed of by the reactionary ballots of the French peasantry. The peasant, who wanted peace of mind, lost in the legacy of Napoleon, bandied as the emperor of the peasants, and created the Second Empire. We all know what this one false step of the peasants cost the people of France; it is still suffering from its aftermath.

But much has changed since then. The development of the capitalist form of production has cut the life-strings of small production in agriculture; small production is irretrievably going to rack and ruin. Competitors in North and South America and in India have swamped the European market with their cheap grain, so cheap that no domestic producer can compete with it. The big landowners and small peasants alike can see ruin staring them in the face. And since they are both owners of land and country folk, the big landowners assume the role of champions of the interests of the small peasants, and the small peasants by and large accept them as such.

Meanwhile, a powerful socialist workers’ party has sprung up and developed in the West, which is able to push obscure social and political presentiments to the background and the broader and deeper scope of a program to meet all scientific requirements of society. The presence of Social Democratic parties is steadily growing in the German, French, and Belgian parliaments. The conquest of political power that began in towns should go to the country. This party has capacity to have a clear insight into the interconnections between economic causes

and political effects and long ago perceived the big landowner –the wolf in the sheep’s clothing, who try to champion the peasant cause. Hope this party may not leave the doomed peasant in the hands of his false protectors who shall turn this passive member into an active opponent of the industrial worker. This brings us right into the thick of the peasant question.

The rural population in which we can address ourselves consists of quite different parts, which vary greatly with the various regions. In the west of Germany, as in France and Belgium, there prevails the small-scale cultivation of small-holding peasants, the majority of whom own and the minority of whom rent their parcels of land. In the northwest — in Lower Saxony and Schleswig-Holstein –we have a preponderance of big and middle peasants who cannot do without male and female farm servants and even day labourers. The same is true of part of Bavaria. In Prussia east of the Elbe, and in Mecklenburg, we have the regions of big landed estates and large-scale cultivation with hinds, cotters, and day laborers, and in between small and middle peasants in relatively unimportant and steadily decreasing proportion. In central Germany, all of these forms of production and ownership are found mixed in various proportions, depending upon the locality, without the decided prevalence of any particular form over a large area.

Besides, there are localities varying in extent where the arable land owned or rented is insufficient to provide for the subsistence of the family, but can serve only as the basis for operating a domestic industry and enabling the latter to pay the otherwise incomprehensibly low wages that ensure the steady sale of its products despite all foreign competition. Which of these subdivisions of the rural population can be won over by the Social-Democratic party?

By small peasant we mean here the owners or tenant — particularly the former — of a patch of land no bigger, as a rule, than he and his family can till, and no smaller than can sustain the family. This small peasant, just like the small handicraftsman, is therefore a toiler who differs from the modern proletarian in that he still possesses his instruments of labor; hence, a survival of a past mode of production. There is a threefold difference between him and his ancestor, the serf, bondman, or, quite exceptionally, the free peasant liable to rent and feudal services. First, in that the French Revolution freed him from feudal services and dues that he owed to

the landlord and, in the majority of cases, at least on the left bank of the Rhine, assigned his peasant farm to him as his own free property.

Secondly, in the post-revolution France, the dismantling of Mark community system<sup>1</sup> not only granted the freedom for the small peasant but at the same time cut loose from the patronage benefits. This deprives the small peasant the possibility of feeding his draft animals without buying fodder. The number of peasants unable to keep draft animals of their own is steadily increasing. Economically, however, the loss of the emoluments derived from the Mark by far outweighs the benefits accruing from the abolition of feudal services.

Thirdly, the peasant of today has lost half of his former productive activity. Formerly, he and his family produced, from raw material he had made himself, the greater part of the industrial products that he needed; the rest of what he required was supplied by village neighbors who plied a trade in addition to farming and were paid mostly in articles of exchange or in reciprocal services. The family, and still more the village, was self-sufficient, produced almost everything it needed. It was natural economy almost unalloyed; almost no money was necessary. Capitalist production put an end to this by its money economy and large-scale industry. But if the Mark emoluments represented one of the basic conditions of his existence, his industrial side line was another. And thus the peasant sinks ever lower. Taxes, crop failures, divisions of inheritance and litigations drive one peasant after another into the arms of the usurer; the indebtedness becomes more and more general and steadily increases in amount in each case — in brief, our small peasant, like every other survival of a past mode of production, is hopelessly doomed. He is a future proletarian.

As such, he needs to listen to the socialist program. But he is prevented from doing so by the culture of petty bourgeois prejudice. With no real friends, it is even more difficult for him to defend his endangered patch of land, the more desperately he clings to it the more he regards the Social-Democrats, who speak of transferring landed property to the whole of society, as just as dangerous a foe as the usurer and lawyer. How can Social-Democracy overcome this prejudice? What can it offer to the doomed small peasant without becoming untrue to itself? Here we find a practical point of support in the agrarian programme of the French Socialists of the Marxian trend, a programme which is

the more noteworthy as it comes from the classical land of small-peasant economy.

The Marseilles Congress of 1892 adopted the first agrarian programme of the Party. It demands on behalf of property-less rural workers (that is to say, day laborers and hinds): minimum wages fixed by trade unions and community councils; rural trade courts consisting half of workers; prohibition of the sale of common lands; and the leasing of public domain lands to communities which are to rent all this land, whether owned by them or rented, to associations of propertyless families of farm laborers for common cultivation, on conditions that the employment of wage-workers be prohibited and that the communities exercise control; old-age and invalid pensions, to be defrayed by means of a special tax on big landed estates.

For the small peasants, with special consideration for tenant farmers, purchase of machinery by the community to be leased at cost price to the peasants; the formation of peasant co-operatives for the purchase of manure, drain-pipes, seed, etc., and for the sale of the produce; abolition of the real estate transfer tax if the value involved does not exceed 5,000 francs; arbitration commissions of the Irish pattern to reduce exorbitant rentals and compensate quitting tenant farmers and sharecroppers (me'tayers) for appreciation of the land due to them; repeal of article 2102 of the Civil Code which allows a landlord to on the distraint crop, and the abolition of the right of creditors to levy on growing crops; exemption from levy and distraint of a definite amount of farm implements and of the crop, seed, manure, draft animals, in short, whatever is indispensable to the peasant for carrying on his business; revision of the general cadastre, which has long been out of date, and until such time a local revision in each community; lastly, free instruction in farming, and agricultural experimental stations.

Part of the proposed program has already been realised elsewhere. The tenants' arbitration courts follow the Irish prototype by express mention. Peasant co-operatives already exist in the Rhine provinces. The revision of the cadaster (land record system) has been a constant pious wish of all liberals, and even bureaucrats, throughout Western Europe.

The Party did such a good business with this program among the peasants in the most diverse parts of France. It was felt, however, that this would be treading on dangerous

ground. How was the peasant to be helped — as a future proletarian or a present propertied peasant? To decide we need certain conceptual clarity, particularly when capitalist system inevitably destroying its mode of production. Let us now examine more closely the demands made in the preamble adopted by the Nantes Congress in September of this year.

The preamble begins as follows:

- Producers can be free only in so far as they are in possession of the means of production;
  - While industry attained a degree of capitalist centralization, that they can be restored to the actual producers in the collective social form; but in the sphere of agriculture — at least in present-day France, for lack of such centralization, land is still in the hands of the individual possession;
  - In this state of affairs characterized by small-holding ownership is irretrievably doomed, it is not for socialism to hasten its doom, as its task does not consist in separating property from labor. But, on the contrary, lies in uniting both of these factors of production by placing them in the same hands; the separation would produce servitude and poverty of the workers when reduced to proletarians;
  - The duty of socialism is to put the agricultural proletarians again in possession — collective or social in form, not merely in the maintenance of present small patches of land as against the fisk, the usurer, and the encroachments of the newly-arisen big landowners;
  - It is expedient to extend this protection also to tenants or sharecroppers (me'tayers) who may exploit day laborers, but are compelled to do so to certain extent because of the exploitation to which they themselves are subjected;
  - Therefore the Workers' Party — which unlike the anarchists, does not count on an increase and spread of poverty for the transformation of the social order but expects labor and society in general to be emancipated only by the organisation and concerted efforts of the workers of both country and town, by their taking possession of the government and legislation. It has to adopt an agrarian program to bring together all the elements of rural production and utilise the national soil, to wage an identical struggle against the feudality of landownership.
- Now, let's examine closely the premises of these goals.



The common possession of the means of production should be the sole principal goal for industry as well as agriculture. According to the program, individual possession never and nowhere obtained generally for all producers; for that very reason, and because industrial progress removes it anyhow, socialism is not interested in maintaining but rather in removing it; because where it exists and in so far as it exists it makes common possession impossible.

Mere possession of the means of production by the individuals does not grant any real freedom under capitalist market mechanism. Handicraft has already been ruined in the cities; in metropolises like London. It has already been superseded by large-scale industry, by organizing labour in sweatshops and miserable poor. The self-supporting small peasant is neither in the safe possession of his tiny patch of land, nor is he free. He, as well as his house, his farmstead, and his new fields, belong to the usurer; his livelihood is more uncertain than that of the proletarian, who at least does have tranquil days now and then, which is never the case with the eternally tortured debt slave. Strike out Article 2102 of the Civil Code, provide by law that a definite amount of a peasant's farm implements, cattle, etc., shall be exempt from levy and tax; yet you cannot ensure him against a distress sale of his cattle "voluntarily", in which he must sign himself away, body and soul, to the usurer and be glad to get a reprieve. Your attempt to protect the small peasant in his property does not protect his liberty but only the particular form of his servitude; it prolongs a situation in which he can neither live nor die. It is, therefore, entirely out of place here to cite the first paragraph of your program as authority for your contention.

The preamble notes that in present-day France, land –the means of production, largely still is in the hands of small and individual producers. However, the task of socialism is not to separate property from labor, for the heck of it, but, on the contrary, is to unite the two by placing them in the same hands. Its task is to transfer the means of production to the producers as their common possession. If we lose sight of this, the above statement becomes directly misleading in that it implies that it is the mission of socialism to convert the present sham property of the small peasant in his fields into real property — that is to say, to convert the small tenant into an owner and the indebted owner into a debtless owner. Undoubtedly, socialism is interested to see

that the false semblance of peasant property should disappear, but not in this manner.

At any rate, we have now got so far that the preamble can straightforwardly declare it to be the duty of socialism, indeed, its imperative duty, "to maintain the peasants themselves tilling their patches of land in possession of the same as against the fisk, the usurer and the encroachments of the newly-arisen big landowners."

The preamble thus imposes upon socialism the imperative duty to carry out something which it had declared to be impossible in the preceding paragraph. It charges it to "maintain" the small-holding ownership of the peasants although it itself states that this form of ownership is "irretrievably doomed". What are the fisk, the usurer, and the newly-arisen big landowners if not the instruments by means of which capitalist production brings about this inevitable doom? What means "socialism" is to employ to protect the peasant against this trinity, we shall see below.

It is likewise "expedient to extend this protection also to the producers who, as tenants or sharecroppers (Metayers), cultivate the land owned by others and who, if they exploit day laborers, are to a certain extent compelled to do so because of the exploitation to which they themselves are subjected".

Here, we are entering upon ground that is passing strange. Socialism is particularly opposed to the exploitation of wage labor. And here it is declared to be the imperative duty of socialism to protect the French tenants when they "exploit day laborers", as the text literally states! And that because they are compelled to do so to by a certain "the exploitation to which they themselves are subjected"!

How easy and pleasant it is to keep on coasting once you are on the toboggan slide! When now the big and middle peasants of Germany come to ask the French Socialists to intercede with the German Party Executive to get the German Social-Democratic Party to protect them in the exploitation of their male and female farm servants, citing in support of the contention the "exploitation to which they themselves are subjected" by usurers, tax collectors, grain speculators and cattle dealers, what will they answer? What guarantee have they that our agrarian big landlords will not send them Count Kanitz (as he also submitted a proposal like theirs, providing for a state monopoly of grain importation) and likewise ask for socialist

protection of their exploitation of the rural workers, citing in support "the exploitation to which they themselves are subjected" by stock-jobbers, money lender, and grain speculators?

Let us say here, at the outset, that the intentions of our French friends are not as bad as one would suppose. They may have to address even a special case like in Northern France, just as in our sugar-beet districts, land is leased to the peasants subject to the obligation to cultivate beets, on conditions which are extremely onerous. They must deliver the beets to a state factory at a price fixed by it, must buy definite seed, use a fixed quantity of prescribed fertilizer, and on delivery are badly cheated into the bargain. We know all about this in Germany, as well. But if this sort of peasant is to be taken under one's wing, this must be said openly and expressly. If the program is to cover every case, it may lose the fundamental principle of socialism.

The preamble also talks of 'bringing together all elements of rural production to wage a struggle against the common enemy, i.e., 'the feudal landowner'. But I flatly deny that the socialist workers' party of any country is charged with the task of taking into its fold, in addition to the rural proletarians and the small peasants, also the idle and big peasants and perhaps even the tenants of the big estates, the capitalist cattle breeders and other capitalist exploiters of the national soil. To all of them, the feudality of landownership may appear to be a common foe. On certain questions, we may make common cause with them and be able to fight side by side with them for definite aims. We can use in our Party individuals from every class of society, but have no use whatever for any groups representing capitalist, middle-bourgeois, or middle-peasant interests.

The program has several demands which are all not in the interests of small peasants. A single progressive tax over and above 3,000 francs, abolished of land tax for small peasant, subsidized farming machinery, lowering of transport charges, or subsidizing fertilizers are all fine, even if some of them they benefit mostly large farmers. But such demands gives false comfort about small peasantry. In brief, after the tremendous theoretical effort exhibited in the preamble, the practical proposals of the new agrarian programme are even more unrevealing as to the way in which the French Workers' Party expects to be able to maintain the small peasants in possession of their small



holdings, which, on its own territory, are irretrievably doomed.

In one point our French comrades are absolutely right: No lasting revolutionary transformation is possible in France against the will of the small peasant. Only, it seems to me, they have not got the right leverage if they mean to bring the peasant under their influence. They appear to be making risky assurances based on hasty theoretical considerations, in desperation to win the elections.

Let us say it outright: can we win the small peasants by protecting their properties against rising tide of indebtedness and pauperization? Can we transform the tenant into an owner-cultivator by paying off his debts? Even if we do so, as a small petty producer, can he survive further? It is improper to show short term improvement in the face of impending long term disaster. It is not in the interest of the Party to perpetuate the petty bourgeois expectations of small peasants on property rights, which is no different than that of small handicraftsman's desire to become a master. What, then, is our attitude towards the small peasantry? How shall we have to deal with it on the day of our accession to power?

To begin with, the French program is absolutely correct in stating: that we foresee the inevitable doom of the small peasant, but that it is not our mission to hasten it by any interference or otherwise on our part. Secondly, even when the Party comes to power, it should not forcibly expropriate the small peasants, even by some compensation. One should try organising them into cooperatives, show the limits of private enterprise, so that he realizes the inevitability of socialization.

Almost 20 years ago, the Danish Socialists, which had only one city, with large countryside filled with large number of small farms, were pooling them into single big farm, reap the benefits of scale, finance, cost saving and better management. By leasing land of the big, additional employment can be created. Peasant cooperatives can further be integrated with industry, generate synergy, transform the cooperatives technologically, and distribute the dividends, raise consciousness entitlements and duties of members to run them with a cooperative spirit.

Individual small farming is what spells their doom, if they insist to continue, large scale farming would swallow it. In their own interest it is imperative to form a collective.

While forming them into a collective is inescapable, they should never be threatened or compelled to give up their holdings. Under capitalist mode of production, foul play of the state is seldom apparent. The Social Democratic Party, however, should unambiguously back the small peasants and facilitate the cooperatives, even when the process is protracted. This saves the small peasant from falling victim to capitalist penetration, makes him our natural ally in the eventual political action, as proletarianization is completed in other sectors.

The cost of this reorganization should be made from the state exchequer, since it is an excellent investment for the social reorganization.

We now come to the bigger peasants. Here as a result of the division of inheritance as well as indebtedness and forced sales of land we find a variegated pattern of intermediate stages, from small-holding peasant to big peasant proprietor. Where the middle lives among small-holding peasants, using more of his family labour, his situation will not differ greatly from theirs. But where middle and big peasants predominate and the operation of the farms requires, generally, with farm servants, it is quite a different matter. Of course a workers' party has to fight, in the first place, on behalf of the wage-workers — that is, for the male and female servantry and the day laborers. It is unquestionably forbidden to make any promises to the peasants which include the continuance of the wage slavery of the workers. But, as long as the big and middle peasants continue to exist, as such they cannot manage without wage-workers. If it would, therefore, be downright folly on our part to hold out prospects to the small, middle and big peasants alike.

We have here again the parallel case of the handicraftsmen in the cities. True, they are more ruined than the peasants, some of them still make apprentices do all the work. Many of them realized that their mode of production is inevitably doomed, are coming over. The same applies to the big and middle peasants who likewise inevitably face competition of capitalist production, and the cheap overseas corn, and the growing indebtedness. We can do nothing against this decay except recommend here too the pooling of farms to form co-operative enterprises, in which the exploitation of wage labor will be eliminated more and more, and their gradual transformation into branches of the great national producers' co-operative with each branch enjoying equal rights and duties can

be instituted. If they don't listen, they can be left to their fate.

Only the big landed estates present a perfectly simple case. Their land has to be expropriated and nationalized, with or without paying compensation, which depends on the question how we get into power. The bottom line is that the land has to be obtained at cheapest price.

Thus, we would create the possibilities of socialist production for rural proletarians no sooner than for the urban, and of only a very short time, before we win over to our side the rural workers of Prussia east of the Elbe. But once we have the East-Elbe rural workers, a different wind will blow at once all over Germany. The actual semi-servitude of the East-Elbe rural workers is the main political constituency of Prussian Junker dominance and overlordship in Germany. In fact, even Junkers are facing the ruination from the competition, as a reaction they are becoming bigots, haughty, supporters of militaristic nationalism of Reich. Even though they own distilleries and beet-sugar refineries, they are scattered and are failing to muster protection. In spite of state assistance, they are unable to save their economic slide. The semi-serfdom sanctioned by law and custom making unlimited exploitation of the rural workers possible to barely keep the drowning Junkers above water. Sow the seed of Social-Democracy among these workers, give them the courage and cohesion to insist upon their rights, and the glory of the Junkers will be put to an end. The great reactionary power, which to Germany represents the same barbarous, predatory element as Russian tsardom does to the whole of Europe, will collapse like a pricked bubble. The "picked regiments" of the Prussian army will become Social-Democratic, which will result in a shift of power that is pregnant with an entire upheaval. But, for this reason, it is of vastly greater importance to win the rural proletariat east of the Elbe than the small peasants of Western Germany. We shall win it nevertheless.

#### **Endnote**

<sup>1</sup> The mark system is a social organization that rests on the common tenure and common cultivation of the land by small groups of freemen. Both politically and economically the mark was an independent community, and its earliest members were doubtless blood relatives. In its origin the word is the same as mark or march, a boundary. (Wikipedia - Mark System [https://en.wikipedia.org/wiki/Mark\\_system](https://en.wikipedia.org/wiki/Mark_system))

# The Nationalisation of the Land

## ■ Karl Marx

The property in the soil is the original source of all wealth, and has become the great problem upon the solution of which depends the future of the working class.

I do not intend discussing here all the arguments put forward by the advocates of private property in land, by jurists, philosophers and political economists, but shall confine myself firstly to state that they have tried hard to disguise the primitive fact of conquest under the cloak of "*Natural Right*". If conquest constituted a natural right on the part of the few, the many have only to gather sufficient strength in order to acquire the natural right of reconquering what has been taken from them.

In the progress of history the conquerors found it convenient to give to their original titles, derived from brute force, a sort of social standing through the instrumentality of laws imposed by themselves.

At last comes the philosopher and demonstrates that those laws imply and express the universal consent of mankind. If private property in land be indeed founded upon such an universal consent, it will evidently become extinct from the moment the majority of a society dissent from warranting it.

However, leaving aside the so-called "rights" of property, I assert that the economical development of society, the increase and concentration of people, the very circumstances that compel the capitalist farmer to apply to agriculture collective and organised labour, and to have recourse to machinery and similar contrivances, will

more and more render the nationalisation of land a "*Social Necessity*", against which no amount of talk about the rights of property can be of any avail. The imperative wants of society will and must be satisfied, changes dictated by social necessity will work their own way, and sooner or later adapt legislation to their interests.

What we require is a daily increasing production and its exigencies cannot be met by allowing a few individuals to regulate it according to their whims and private interests, or to ignorantly exhaust the powers of the soil. All modern methods, such as irrigation, drainage, steam ploughing, chemical treatment and so forth, ought to be applied to agriculture at large. But the scientific knowledge we possess, and the technical means of agriculture we command, such as machinery, etc., can never be successfully applied but by cultivating the land on a large scale.

If cultivation on a large scale proves (even under its present capitalist form, that degrades the cultivator himself to a mere beast of burden) so superior, from an economical point of view, to small and piecemeal husbandry, would it not give an increased impulse to production if applied on national dimensions?

The ever-growing wants of the people on the one side, the ever-increasing price of agricultural produce on the other, afford the irrefutable evidence that the nationalisation of land has become a social necessity.

Such a diminution of agricultural produce as springs from individual abuse, will, of

course, become impossible whenever cultivation is carried on under the control and for the benefit of the nation.

All the citizens I have heard here today during the progress of the debate, on this question, defended the nationalisation of land, but they took very different views of it.

France was frequently alluded to, but with its *peasant proprietorship* it is farther off the nationalisation of land than England with its landlordism. In France, it is true, the soil is accessible to all who can buy it, but this very facility has brought about a division into small plots cultivated by men with small means and mainly relying upon the land by exertions of themselves and their families. This form of landed property and the piecemeal cultivation it necessitates, while excluding all appliances of modern agricultural improvements, converts the tiller himself into the most decided enemy to social progress and, above all, the nationalisation of land. Enchained to the soil upon which he has to spend all his vital energies in order to get a relatively small return, having to give away the greater part of his produce to the state, in the form of taxes, to the law tribe in the form of judiciary costs, and to the usurer in the form of interest, utterly ignorant of the social movements outside his petty field of employment; still he clings with fanatic fondness to his bit of land and his merely nominal proprietorship in the same. In this way the French peasant has been thrown into a most fatal antagonism to the industrial working class.

Peasant proprietorship being then the greatest obstacle to the nationalisation of land, France, in its present state, is certainly not the place where we must look to for a solution of this great problem.

To nationalise the land, in order to let it out in small plots to individuals or working men's societies, would, under a middle-class government, only engender a reckless competition among themselves and thus result in a progressive increase of "*Rent*" which, in its turn, would afford new facilities to the appropriators of feeding upon the producers.

At the International Congress of Brussels, in 1868, one of our friends [César De Paepe, in his report on land property: meeting of the Brussels Congress of the International

Working Men's Association of Sept. 11 1868] said:

"Small private property in land is doomed by the verdict of science, large land property by that of justice. There remains then but one alternative. The soil must become the property of rural associations or the property of the whole nation. The future will decide that question."

I say on the contrary; the social movement will lead to this decision that the land can but be owned by the nation itself. To give up the soil to the hands of associated rural labourers, would be to surrender society to one exclusive class of producers.

The nationalisation of land will work a complete change in the relations between labour and capital, and finally, do away with the capitalist form of production, whether industrial or rural. Then class distinctions and privileges will disappear together with the economical basis upon which they rest. To live on other people's labour will become a thing of the past. There will be no longer any government or state power, distinct from society itself! Agriculture, mining, manufacture, in one word, all branches of production, will gradually be organised in the most adequate manner.

National *centralisation of the means of production* will become the national basis of a society composed of associations of free and equal producers, carrying on the social business on a common and rational plan. Such is the humanitarian goal to which the great economic movement of the 19th century is tending.

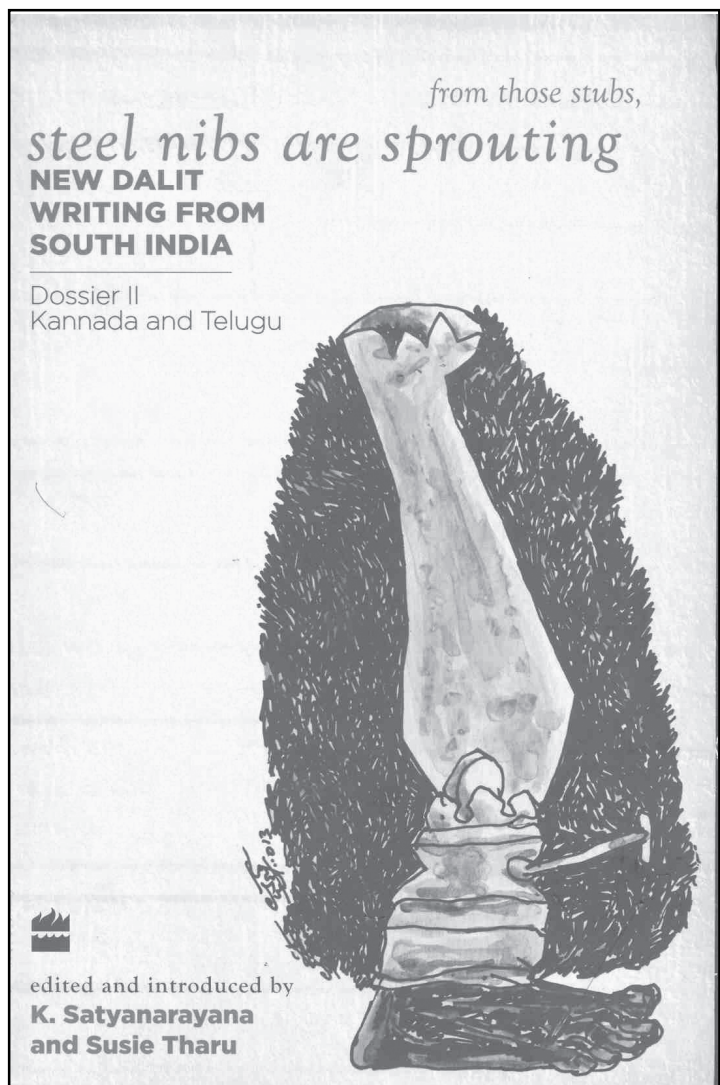
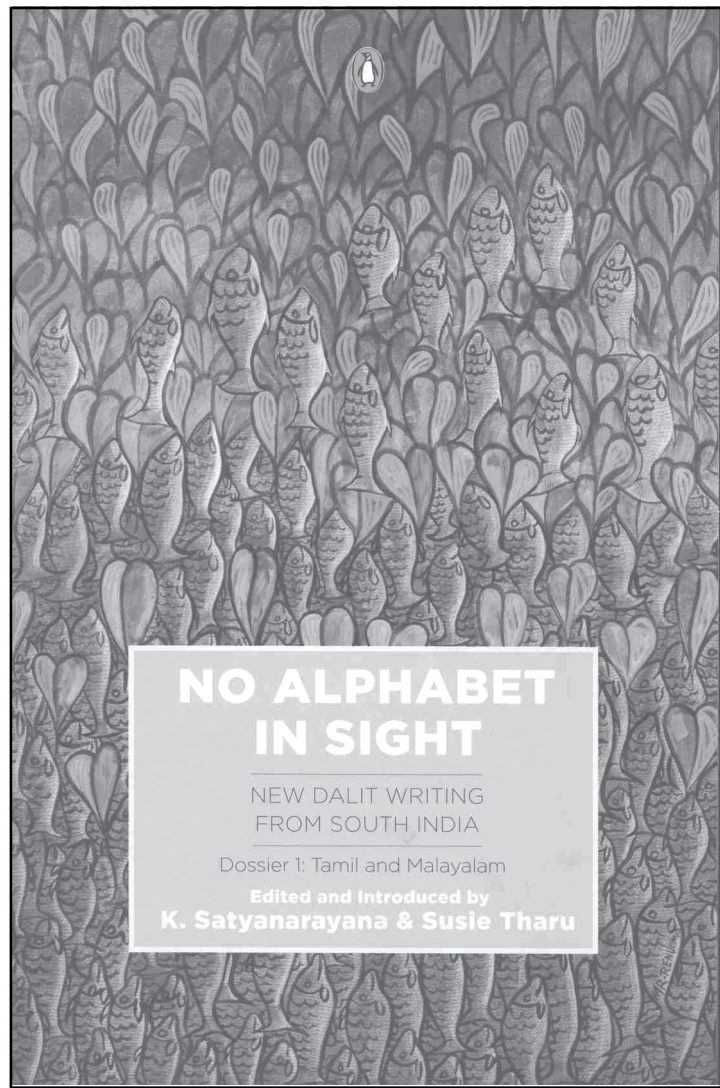
A Paper read at the Manchester Section of the International Working Men's Association;

**Written:** by Marx in March-April 1872;

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**Transcribed:** by director@marx.org.



# Genesis of the Capitalist Farmer (abridged)

## ■ Karl Marx

Now that we have considered the forcible creation of a class of outlawed proletarians, the bloody discipline that turned them into wage-labourers, the disgraceful action of the State which employed the police to accelerate the accumulation of capital by increasing the degree of exploitation of labour, the question remains: whence came the capitalists originally? For the expropriation of the agricultural population creates, directly, none but great landed proprietors. As far, however, as concerns the genesis of the farmer ... it is a slow process evolving through many centuries. The serfs, as well as the free small proprietors, held land under very different tenures, and were therefore emancipated under very different economic conditions. In England the first form of the farmer is the bailiff, himself a serf. His position is similar to that of the old Roman *villicus*, only in a more limited sphere of action. During the second half of the 14th century he is replaced by a farmer, whom the landlord provides with seed, cattle and implements. His condition is not very different from that of the peasant. Only he exploits more wage-labour. Soon he becomes a metayer, a half farmer. He advances one part of the agricultural stock, the landlord the other. The two divide the total product in proportions determined by contract. This form quickly disappears in England, to give place to the farmer proper, who makes his own capital breed by employing wage-labourers, and pays a part of the surplus-product, in money or in kind, to the landlord as rent. So long, during the 15th century, as the independent peasant and the farm-labourer working for himself as well as for wages, enriched

themselves by their own labour, the circumstances of the farmer, and his field of production, were equally mediocre. The agricultural revolution which commenced in the last third of the 15th century, and continued during almost the whole of the 16th (excepting, however, its last decade), enriched him just as speedily as it impoverished the mass of the agricultural people.<sup>1</sup>

The usurpation of the common lands allowed him to augment greatly his stock of cattle, almost without cost they yielded him a richer supply of manure for the tillage of the soil. To this, was added in the 16th century, a very important element. At that time the contracts for farms ran for a long time, often for 99 years. The progressive fall in the value of the precious metals, and therefore of money, brought the farmers golden fruit. Apart from all the other circumstances discussed above, it lowered wages. A portion of the latter was not now added to the profits of the farm. The continuous rise in the price of the corn, wool, meat, in a word of all agricultural produce, swelled the money capital of the farmer without any action on his part, whilst the rent he paid (being calculated on the old value of money) diminished in reality.<sup>2</sup> Thus they grew rich at the expense both of their labourers and their landlords. No wonder therefore, that England, at the end of the 16th century, had a class of capitalist farmers, rich, considering the circumstances of the time.<sup>3</sup>

### Notes

1. Harrison in his "Description of England," says "although peradventure foure pounds of old rent be improved to fortie, toward the end of his term, if he have not six or seven

yeares rent lieng by him, fiftie or a hundred pounds, yet will the farmer thinke his gainesverie small."

2. On the influence of the depreciation of money in the 16th century, on the different classes of society, see "A Compendious or Briefe Examination of Certayne Ordinary Complaints of Divers of our Countrymen in these our Days." By W.S., Gentleman. (London 1581.) The dialogue form of this work led people for a long time to ascribe it to Shakespeare, and even in 1751, it was published under his name. Its author is Villiam Stafford. In one place the knight reasons as follows:

Knight: You, my neighbour, the husbandman, you Maister Mercer, and you Goodman Cooper, with other artificers, may save yourselves metely well. For as much as all things are dearer than they were, so much do you arise in the pryce of your wares and occupations that ye sell agayne. But we have nothing to sell whereby we might advance ye price there of, to countervaille those things that we must buy agayne." In another place the knight asks the doctor: "I pray you, what be those sorts that ye meane. And first, of those that ye thinke should have no losse thereby?"

Doctor: I mean all those that live by buying and selling, for as they buy deare, they sell thereafter.

Knight: What is the next sort they ye say would win by it?

Doctor: Marry, all such as have taing of fearmes in their ownemanurance [cultivation] at the old rent, for where they pay after the olde rate they sell after the newe-that is, they paye for theirrelande good cheape, and sell all things growing thereof deare.

Knight: What sorte is that which, ye sayde should have greater losse hereby, than these men had profit?

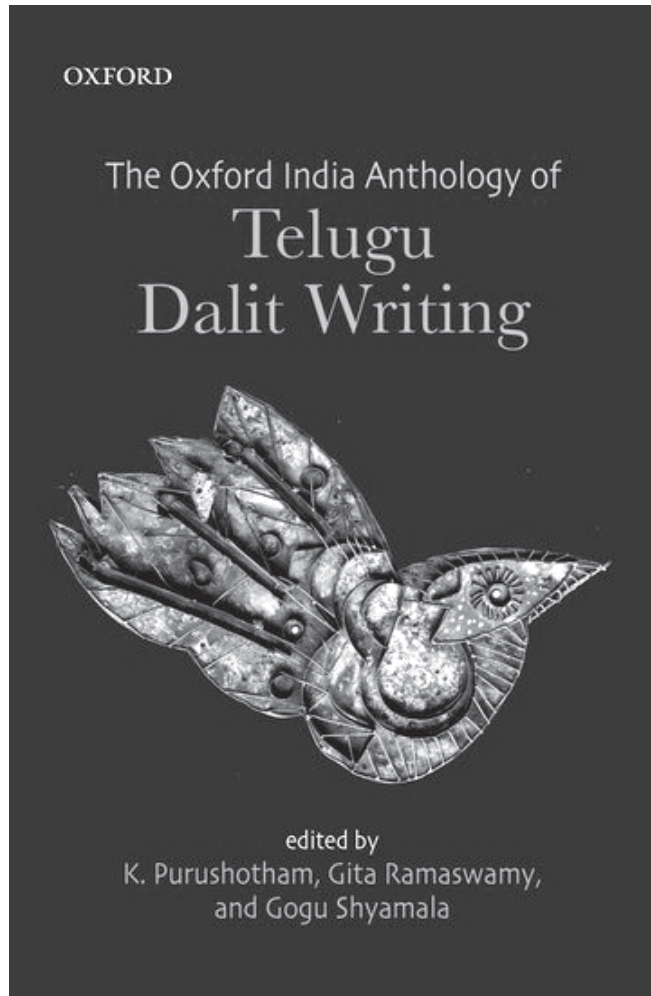
Doctor: It is all noblemen, gentlemen, and all other that live either by a stinted rent or stipend, or do not manure [cultivation] the ground, or doe occupy no buying and selling.

3. In France, the regisseur, steward, collector of dues for the feudal lords during the earlier part of the middle ages, soon became an homme d'affaires. who by extortion, cheating & c., swindled himself into a capitalist. These



regisseurs themselves were sometimes noblemen. ... Already it is evident here how in all spheres of social life the lion's share falls to the middleman. In the economic domain, e.g., financiers, stock-exchange speculators, merchants, shopkeepers skim the cream; in civil matters, the lawyer fleeces his clients, in politics the representative is of more importance than the voters, the minister than the sovereign; in religion God is pushed into the background by the "Mediator", and the latter again is shoved back by the priests, the inevitable middlemen between the good shepherd and his sheep. In France, as in England, the great feudal territories were divided into innumerable small homesteads, but under conditions incomparably more unfavourable for the people. During the 14th century arose the farms or terriers. Their number grew constantly, far beyond 100,000. They paid rents varying from 1/12 to 1/5 of the product in money or kind. These farms were fiefs, sub-fiefs, &c., according to the value and extent of the domains, many of them only containing a few acres. But these farmers had rights of jurisdiction in some degree over the dwellers on the soil; there were four grades. The oppression of the agricultural population under all these petty tyrants will be understood. Monteil says that there were once in France 160,000 judges, where to-day, 4,000 tribunals, including justices of the peace, suffice.

**Karl Marx, Capital, Vol. 1, Moscow: Progress Publishers, 1965, pp.743-744**



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This is her first collection of stories translated from Telugu.

Lines that cut to the very gut

I am tempted to suggest that we think of Shyamala's stories as prototypes of a compact new genre that might be called, not a short, but a little story. The 'little' here would of course recall the intrepid independence of the little magazines that have nourished the Telugu reading public since the 1960s; it would make reference to Walker Benjamin's famous essay, "A little history of photography", that cuts deep to track over a quick few pages the photographic element's degeneration from the enchanted portraiture of its early years into a realist endorsement of middle class life; and it would point to the world of the little, subaltern traditions, as against that of the great traditions.

SUSIE THARU, co-editor of the two-volume *Women Writing in India* and *No Alphabet in Sight: New Dalit Writing from South India*

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father  
maybe an  
elephant  
and  
mother  
only a  
small  
basket  
but...

gogu  
shyamala

navayana

Gogu Shyamala's stories dissolve borders as they work their magic on orthodox forms of realism, psychic allegory and political fable. Whether she is describing the setting sun or the way people are gathered at a village council like 'thickly strewn grain on the threshing floor', the varied rhythms of a dalit drum or a young woman astride her favorite buffalo, Shyamala walks us through a world that is at once particular and small, and simultaneously universal.

Set in the madiga quarter of a Telangana village, the stories spotlight different settings, events and experiences, and offer new propositions on how to see, think and be touched by life in that world. There is a laugh lurking around every other corner as the narrative picks an adroit step past the grandiose authority of earlier versions of such places and their people—Romantic, Gandhian, administrative—and the idiom in which they spoke. These stories overturn the usual agendas of exit—from the village, from madiga culture, from these little communities—to hold this life up as one of promise for everyone.

With her intensely beautiful and sharply political writing, Shyamala makes a clean break with the tales of oppression and misery decreed the true subject of dalit writing.

gogu  
shyamala

# The Secret of Primitive Accumulation<sup>1</sup>

## ■ Karl Marx

*[Commentary by the broadsheet editors in italics]*

We have seen how money is changed into capital; how through capital surplus-value is made, and from surplus-value more capital. But the accumulation of capital presupposes surplus-value; surplus-value presupposes capitalistic production; capitalistic production presupposes the pre-existence of considerable masses of capital and of labour-power in the hands of producers of commodities. The whole movement, therefore, seems to turn in a vicious circle, out of which we can only get by supposing a primitive accumulation (previous accumulation of Adam Smith) preceding capitalistic accumulation; an accumulation not the result of the capitalistic mode of production but its starting point.

*[Marx recalls for us how money becomes capital when it is invested, how this generates surplus value which is realized as profit, and how profit is reinvested as capital. However this kind of build up of capital presupposes the system of capitalist production (private enterprise), this system of capitalist production presupposes (depends on) the pre-existence of many laborers who then sell their labor power to the capitalists who produce commodities. So capital is dependent on profit is dependent on capitalist production is dependent on laborers, is dependent on capitalist production (again). How to get out of this circular system of presuppositions? By supposing that something called primitive accumulation existed before it, i.e., a form of accumulation that occurred before capitalist production, providing a starting point.]*

This primitive accumulation plays in Political Economy about the same part as original sin in theology. Adam bit the apple, and thereupon sin fell on the human race. Its origin is supposed to be explained when it is

told as an anecdote of the past. In times long gone by there were two sorts of people; one, the diligent, intelligent, and, above all, frugal elite; the other, lazy rascals, spending their substance, and more, in riotous living. The legend of theological original sin tells us certainly how man came to be condemned to eat his bread in the sweat of his brow; but the history of economic original sin reveals to us that there are people to whom this is by no means essential. Never mind! Thus it came to pass that the former sort accumulated wealth, and the latter sort had at last nothing to sell except their own skins. And from this original sin dates the poverty of the great majority that, despite all its labour, has up to now nothing to sell but itself, and the wealth of the few that increases constantly although they have long ceased to work. Such insipid childishness is every day preached to us in the defence of property. M.Thiers, e.g., had the assurance to repeat it with all the solemnity of a statesman, to the French people, once so *spirituel*. But as soon as the question of property crops up, it becomes a sacred duty to proclaim the intellectual food of the infant as the one thing fit for all ages and for all stages of development. In actual history it is notorious that conquest, enslavement, robbery, murder, briefly force, play the great part. In the tender annals of Political Economy, the idyllic reigns from time immemorial. Right and “labour” were from all time the sole means of enrichment, the present year of course always excepted. As a matter of fact, the methods of primitive accumulation are anything but idyllic.

*[This primitive accumulation is explained in capitalist theories of political economy by all kinds of fairy tales fit for children. Those who worked*

*saved their money and became capitalists, while those who spent money and had fun became laborers. These fairy tales are used to defend the notion of private property — so that private property is the right of those who worked hard for it. But, Marx says, private property before capital was nothing but the result of violence and coercion — “conquest, enslavement, robbery, murder”. In bourgeois political economy the fantasy from time immemorial was that property was the right of the industrious. In truth and in history, primitive accumulation of property was anything but a fairy tale: violent, bloody loot.]*

In themselves money and commodities are no more capital than are the means of production and of subsistence. They want transforming into capital. But this transformation itself can only take place under certain circumstances that centre in this, viz., that two very different kinds of commodity-possessors must come face to face and into contact; on the one hand, the owners of money, means of production, means of subsistence, who are eager to increase the sum of values they possess, by buying other people’s labour-power; on the other hand, free labourers, the sellers of their own labour-power, and therefore the sellers of labour. Free labourers, in the double sense that neither they themselves form part and parcel of the means of production, as in the case of slaves, bondsmen, &c., nor do the means of production belong to them, as in the case of peasant-proprietors; they are, therefore, free from, unencumbered by, any means of production of their own. With this polarization of the market for commodities, the fundamental conditions of capitalist production are given. The capitalist system pre-supposes the complete separation of the labourers from all property in the means by which they can realize their labour. As soon as capitalist production is once on its own legs, it not only maintains this separation, but reproduces it on a continually extending scale. The process, therefore, that clears the way for the capitalist system, can be none other than the process which takes away from the labourer the possession of his means of production; a process that transforms, on the one hand, the social means of subsistence and of production into capital, on the other, the immediate producers into wage-labourers. The so-called primitive accumulation, therefore, is nothing else than the historical process of divorcing the producer from the



means of production. It appears as primitive, because it forms the prehistoric stage of capital and the mode of production corresponding with it.

*[Money, commodities, labour and production by themselves cannot create capital. Capital becomes possible only when owners of money and commodities who require labour face labourers who don't have anything but their labour to sell. Primitive accumulation is actually the process by which both owners of money and commodities and labourers who don't have anything to sell, anywhere to go, any right except to sell their labour simultaneously are generated. It seems to be 'primitive' because it is historically the basis of capitalist production - it is capitalism's prehistory].*

The economic structure of capitalistic society has grown out of the economic structure of feudal society. The dissolution of the latter set free the elements of the former.

*[Capitalist society develops out of feudal society. When feudal society reaches its limits, it dissolves in its own contradictions and thus sets free the conditions that enable capitalism]*

The immediate producer, the labourer, could only dispose of his own person after he had ceased to be attached to the soil and ceased to be the slave serf, or bondman of another. To become a free seller of labour-power, who carries his commodity wherever he finds a market, he must further have escaped from the regime of guilds, their rules for apprentices and journeymen, and the impediments of their labour regulations. Hence, the historical movement which changes the producers into wage-workers, appears, on the one hand, as their emancipation from serfdom and from the fetters of the guilds, and this side alone exists for our bourgeois historians. But, on the other hand, these new freedmen became sellers of themselves only after they had been robbed of all their own means of production, and of all the guarantees of existence afforded by the old feudal arrangements. And the history of this, their expropriation, is written in the annals of mankind in letters of blood and fire.

*[Labour in feudalism was in one way or other bonded to the feudal owners or lords. There were many non-economic links that forced labourers to work for their masters (landlords, guild owners, master craftsmen) — rule and regulations that*

*were based on obligation and force. The labourer in capitalism needs to sell his labour for a wage. Wage labour is possible only when the bondsman of feudalism is freed from coercive bondage. This is the story of freedom told by bourgeois historians. The other side of the coin is that the freedom of the labourers is the same as stripping them of their means of production, and cancelling all obligations and guarantees of survival which feudalism provided the poor. The story of this 'freedom' of their expropriation is a history of blood and fire.]*

The industrial capitalists, these new potentates, had on their part not only to displace the guild masters of handicrafts, but also the feudal lords, the possessors of the sources of wealth. In this respect their conquest of social power appears as the fruit of a victorious struggle both against feudal lordship and its revolting prerogatives, and against the guilds and the fetters they laid on the free development of production and the free exploitation of man by man. The chevaliers d'industrie, however, only succeeded in supplanting the chevaliers of the sword by making use of events of which they themselves were wholly innocent. They have risen by means as vile as those by which the Roman freedman once on a time made himself the master of his *patronus*.

*[Capitalists, the new powerful, had also to displace the old powerful — the guild masters, the feudal lords and the old wealthy. This story is told by bourgeois historians as a freedom of the individual from old forms of privilege through victorious struggle against injustice, against fetters on free enterprise and free labour. However, in actuality, this freedom was achieved by capitalists not by their own efforts, nor by direct intention, and often by means as dirty and scheming as in the ways in which lords came to power in earlier times in history.]*

The starting-point of the development that gave rise to the wage-labourer as well as to the capitalist, was the servitude of the labourer. The advance consisted in a change of form of this servitude, in the transformation of feudal exploitation into capitalist exploitation. To understand its march, we need not go back very far. Although we come across the first beginnings of capitalist production as early as the 14th or 15th century, sporadically, in certain towns of the Mediterranean, the capitalistic era dates

from the 16th century. Wherever it appears, the abolition of serfdom has been long effected, and the highest development of the middle ages, the existence of sovereign towns, has been long on the wane.

*[Capitalism develops when wage labour as a form of slavery comes into being. Though early signs appear in 14th and 15th century Europe, the capitalist era begins from the 16th century. Wherever capitalism appears, serf labour or bonded slavery has been abolished and the existence of sovereign towns based on the economy of the guilds of the feudal era have begun to disappear.]*

In the history of primitive accumulation, all revolutions are epoch-making that act as levers for the capitalist class in course of formation; but, above all, those moments when great masses of men are suddenly and forcibly torn from their means of subsistence, and hurled as free and "unattached" proletarians on the labour-market. The expropriation of the agricultural producer, of the peasant, from the soil, is the basis of the whole process. The history of this expropriation, in different countries, assumes different aspects, and runs through its various phases in different orders of succession, and at different periods. In England alone, which we take as our example, has it the classic form.

*[The capitalist epoch comes into being through several revolutions that act as levers for the capitalist class as it comes into force. However, the most important of these moments is when great masses of men are thrown suddenly and forcibly into the marketplace as proletarians who sell their labour. Thus agricultural producers (peasants) who are torn from the soil (in other words 'expropriated') and made proletarians are the first, fundamental step in the whole process. This process of expropriation differs in different countries, it has different aspects and phases, different orders of succession and occurs at different times. England alone is the classic form].*

#### Note

1. Karl Marx, "The So-called Primitive Accumulation", Chapter XXVI, *Capital*, Vol.1, Part VIII: Moscow: Progress Publishers, 1965. pp. 713-716.