
Accumulation and Resistance: Agrarian response in India under globalization

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Abstract

The agrarian crisis that emerged in India in the late nineties coincided with the trade liberalization policies following India's accession to the WTO agreement in 1995. Systemic declines in real crop prices and increased price volatility in output markets due to enhanced competition in agro-commodity markets played a major role in the emerging crisis. A large number of Indian farmers, essentially petty producers, were not only exposed to the volatile global markets, but also squeezed between the organized capital (now larger in size) in the upstream and downstream markets in the commodity value-chains.

While there was a distinct drop in the agricultural terms of trade till 2005, an analysis of the same for the last two decades show a stagnant trend. Accompanied with increases in input costs of cultivation due to deregulation of input prices, this led to the emergence of a 'scissors crisis' in agriculture, making the latter unviable in terms of income. Withdrawal of institutional banking from rural areas at least till 2007 and the restructuring, redefinition and redirecting of priority sector credit meant that the majority of marginal, small and medium farmers did not have access to adequate institutional credit. The increasing dependency on informal credit at higher interest rates enhanced the vulnerabilities of farm households in terms of slipping into a vicious cycle of farm-debts.

The agrarian response to this 'new' accumulation regime, where petty producers were at the receiving end, was one of 'passive' desperation, epitomized by the burgeoning numbers of farmer suicides. There was no notable organized resistance either against the state policies or the local exploitative classes. This, however, changed radically after 2004 with large number of peasant resistances that occurred against land acquisition by the State for industrialization/urbanization. Sporadic and organized resistances to 'land grabs' emerged as a central challenge to majority of the regional/state governments. Unlike the earlier passive response from farmers, land acquisition attempts drew active resistance, often militant ones, and successfully stalled many acquisition projects. Moreover, these movements created a broader anti-state narrative within the polity and the policy-making establishment leading to revisiting colonial land acquisition laws.

In more recent times since 2017, India is witnessing strong peasant movements with remunerative crop prices and debt-waivers as their central demand. It seems that two decades of liberalization has eventually directed the thrust of farmer movements against the new accumulation regime that emerged in the nineties.

However, a deeper analysis of the accumulation regime and the resistance needs to be undertaken to comprehend the complexities of the diverse 'agrarian response' from the Indian

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farmers, both temporally and spatially. The response is also influenced by a complex gamut of international factors that affect agriculture. This paper looks at the long-term trends of crop prices, costs of cultivation and farm incomes in real terms, consider the regional and class factors, and agricultural trade dynamics in order to make sense of the totality of the 'agrarian response' in India.

Keywords: accumulation, agrarian crisis, peasant resistance