



ANALYSING FARMERS PROTEST WITH THE HELP OF MARXIST THEORY OF CLASS STRUGGLE AND SURPLUS VALUE

Arunima Tai*

Abstract

Farms bill 2020 brought three major bills, which led to widespread protest and finally resulted in the repeal of the bill. The three farm bills had further increased the power of the capitalist to further influence the masses. The growth of the big bourgeoisie means a steady increase of assets and means of production in their hands. Study of the bill proves the relevance of the Marxist theories at the present time.

Keywords: class struggle, surplus value, farms bill

*M.A. in Political Science

***Corresponding Author:** Arunima Tai

*M.A. in Political Science

DOI: 10.48047/ecb/2023.12.si10.00236

Introduction:

According to Karl Marx “The history of all hitherto existing society is the history of class struggles”. Class struggle pressed society from one stage to the next. In each stage, an ownership class controls the means of production while the lower class provides labour for production. The two classes come into conflict and that conflict leads to social change. The exclusive criteria on the basis of which the class of a person is determined is this ownership or control of means of production constitutes the bourgeoisie the exploiter and those who own labour power constitute the proletariat i.e. the exploited. It is apparent that Marx explained classes on the basis of twin criteria of a person’s place with mode of production and his consequent position in terms of relations of production. (1)

The theory of surplus value is conferred by Marx thoroughly in his famous work *Das Capital*. Marx acknowledges that human labour cannot create value by itself alone. It uses instruments of production which are owned by the capitalist. The capitalist buys the labour power of the labourer and applies it to the raw material to produce commodities which have an exchange value and the excess of value produced by the labourer over the wages paid to the worker by the capitalist in producing the commodity is surplus value. (2).

In other words surplus value is unpaid labours of the labour. Marx explicates the whole process of exploitation with this theory of surplus value. It is a distinct feature of capitalist mode of production. The commodity produced by the worker is sold by the capitalist for more than what the worker receives as wages. Marx contended that the worker produces a commodity which belongs to a capitalist and whose value is realized by a capitalist in the form of price.

The government passed three bill on September 2020:

1. The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm services Bill 2020.
2. The Farming Produce Trade and Commerce (Promotion and Facilitation) Bill2020.
3. The Essential Commodities (Amendment) Bill 2020.

Analysing Farmers protest with the help of Marxist theory of surplus value and class struggle:

In this case the class struggle is between the farmers who are the exploited and the capitalist i.e. the multinational companies who are the exploiters. Since the trade liberalisation policies in 1991, there have been massive foreign direct investments in Indian agriculture. Multinational companies are given exclusive right for exploitation. The agricultural sector is still the largest employer in India today. When the industry collapsed during lockdown, agricultural operation continued but yet they don’t get the value of their produce. India is an agrarian economy two-thirds of India’s population depend on farming for their livelihoods. India’s agricultural sector makes up around 17% of the nation’s total economic output. (3)

Liberalisation efforts by governments over many years have trapped farmers in a vicious circle of a growing cost of cultivation, high level of uncertainty over crop outputs, suppression of crop prices, increased debts and a lack of modern farming techniques. In the agricultural system of India the big bourgeoisie have intensified their efforts to weaken and deregulate every part of the system so as to capture the entire agricultural value chain. From the seed market to grocery stores, the three acts liberalize and open to accumulation every part of this sector. Farmers are compelled to buy resources through taking loans, work tirelessly for months, and then handover their harvest to middlemen and traders at throwaway prices. A significant portion of money earned goes towards servicing debt. Loan sharks in the form of cooperatives, middlemen, microfinance brokers and Banks offer their services to distressed farmers. The cycle of loan is never ending, resulting in mounting debts and interests.

Marx’s theory of surplus value is applicable as the farm produce by the farmers is sold by the capitalist for more than what the farmer receives. Majority of Indian farmers are either barely making a living or are heavily indebted. Slight crop failures are catastrophic for farmers. Moreover the continuous efforts of the government to help local capitalists and multinational corporations are negatively impacting farmers earning. Last few years the government suppressed the earning of farmers and

protect themselves from losses. The earnings of the farmers are not keeping pace with the continuous increasing cost of living. Under capitalism, profiteers at every agriculture supply chain juncture try to squeeze as much value out of farmers as possible. Trapped in the continuous cycle of debt, farmers see their hard labour as worthless. Profiteers in the crop market always seek to ensure farmers get nothing for their produce. Loan sharks also make money by selling those loans. The discontent arising from these reasons have let them to protest. Hence, in this aspect Marx's theory of surplus value and class struggle is relevant.

Even under the APMC its not farmers but traders who control the market, and decide which crops could be harvested based on market forces. This has resulted in massive stockpile of grains in India for many years (4). The government is reluctant to release grain at lower prices, because of the pressure from the private agricultural mafia, as this will distort the market. Hence ultimately it is the poor who suffers as they starve but the government keeps on holding onto its grain stock.

- The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm services Bill 2020:

If we look at the first bill it has something to do with the farmer's interest through a legal agreement to protect them from exploitation by providing a dispute settlement mechanism. The government says that this act will transform Indian agriculture and attract private investment (5). It does attract private investment, companies often tend to support the farmers through supplying inputs assisting with land preparation, providing production advice and transporting produce to its premises.

However if we look at the farmers side their fear is that the powerful corporate investor would legally dominate the farmers and put the liability clause on them. As we know everything today comes with a condition applied that many of the people find it difficult to follow up so obviously there are chances where a private company can exploit a farmer very easily with legal clauses, this is a major problem for the farmers. Under the Farm Bill farmers cannot seek legal support from a civic court against large companies. It is anticipated that large capitalists

will make direct deals with the farmers for future produce throwing the doors wide open for the speculation market.

- The Farming Produce Trade and Commerce (Promotion and Facilitation) Bill2020:

Second bill talks about trading of farm goods outside the physical premise of MANDI or APMC yards like warehouses, cold storages etc. Barrier free inter- state and intra state trade will be possible outside APMC (6). It is said that this act will give farmers the freedom to sell their goods anywhere within the state or outside any state.

Mandi's are spread across the nation and farmers sell their agricultural produce in these mandi's and these mandi's are controlled by state government through APMC, now there are restrictions for farmers if they sell their agricultural produce outside the mandi's because the producer that have a MSP need to compulsorily go through APMC otherwise small farmers can sell directly to consumers, they are even doing it now but if there is a large scale farmer and he wants the produce to be protected by the government then he has to notify the APMC or trade with only APMC license trader. So this bill will allow barrier free trade in agricultural produce outside the notified APMC Mandi, according to this the state government will not impose taxes on sale and purchase of farm produce outside the Mandis to give farmers the freedom to sell their produce at good price.(7)

But in reality this bill is beneficial for big farmers only because they have more choices and they can actually start selling to the private players, on the other hand this will hardly make a difference to the small farmers, they are anyhow selling outside the mandi's plus due to transportation and other costs small farmers don't have any incentives to go long distance or inter-state to sell the good. Hence it's only the big farmers who will get better choices.

This is also a way for the government to get out of the agricultural business, once the farmers get an entry to the market they can sell to anyone and earn more however farmers income will also depend upon ups and downs of the market. Suppose the

demand for a particular product in the market is low, due to low demand the prices will fall but the cost of cultivation was high, now the farmer will be squeezed between rising cost of cultivation and low prices due to low demand. In this situation the government will not intervene by giving any form of subsidy or procurement. So there is trade-off. Moreover the private players are smart, they function on low cost, they will use every strategy to buy at less price and sell it at a high price to earn profit.

For large corporations, the Mandi system is corrupt, hence the new bill are therefore encouraging corporations to deal outside Mandi system. Through this bill farmers are encouraged to sell their product to anyone they like, giving the impression, on the surface, that the government wants to liberate the farmers and empower them. However the bill only benefits the big players who will be allowed to monopolise prices, pushing down the price paid to the farmers, making sure that farmers get nothing, while at the same time forcing ordinary people to pay even more for produce. Although the APMC markets are set by the government in all states, in reality they are controlled by private profiteers. There has always been a battle by the large corporations to eliminate small players from the Mandi system, get their grips on the agricultural produce and dominate the market. Multinational companies with advanced agricultural technologies are seizing hold of farm produce in different countries across the world. On capitalist basis Indian government will always welcome these multinational giants when they come to rake in the country's agriculture, rather than thousand small companies and middlemen.

- The Essential Commodities (Amendment) Bill 2020:

This amendment that had been suggested was regarding removing certain commodities from the essential commodity list so that it will allow the government to regulate their supply and prices only in cases of war, famine or natural calamities.

The commodities that are removed from the list are food items including cereals, pulses, potatoes, onions, oils etc these commodities are consumed on

daily basis, now that these commodities are removed from the essential list that means obviously their prices will go up.

So on one hand by removing these items from the essential commodity list the government has taken a good step towards boosting farmers income but on the other hand there will be price rise and risk of hoarding and black marketing will increase and it might lead to monopoly of few individuals over price of few goods. (9)

Protest for overthrowing the capitalist system:

According to Marx, capitalism constantly produces the germs of its own destruction. The instruments which the owners use to increase their profits are the instruments fall inevitably into the hands of workers to be used by them to thrash the whole capitalist system. There has been a general decline of farmers living conditions under the rotten capitalist system as this system cannot guarantee a decent living, proper remuneration for their produce and above all control over their land and produce. In the capitalist societies, class differentiation is clearer, class consciousness is more developed and class conflict is more acute. Therefore capitalism is the concluding point in the historical feature of bourgeoisie period. Society as a whole is more and more splitting into two great hostile camps General bitterness between rich and poor is there but in capitalism, it has been severely polarised into antagonism between the capitalist and the proletariat. The tendency under capitalism is towards a steady increase in unhappiness, ignorance and dependency of the farmers and this worsens their hostility and dissatisfaction (9). Indian farmers have shown immense heroic courage and determination in taking up the fight, as they have always done in the previous years..

An indefinite general strike would challenge the whole capitalist system, only then will the stage for socialist transformation of society be set, as an indefinite general strike raises the question of the power over who runs the society. Indeed, it is the working class that run any society, not the capitalist. Only by overthrowing the capitalist system will abolish the control of the capitalist over the agriculture. Only under a socialist planned economy farmers will be able to decide their future,

their own fate. What is needed is class struggle, and the working class in India needs to take decisive steps towards organising itself on revolutionary lines, to win the struggle

The present movement underlines the farmer's quest for equity, their demand for a dignified minimum price for their produce, and determination to combat corporate takeover of agriculture. Farmers are not some relics of the past. They can be a potent force to shape India's future. The protestors were seen to be successful in their agenda as the farm law was in force for only 221 days the laws have been suspended.

Conclusion:

Marxism provides a means to fight the capitalist through intellectual, organisational resources for fighting for emancipation. According to the current system Indian farmers sell their produce at government controlled markets for assured prices. The system affords stability, allowing farmers to make decisions and investments for the following crop cycle.

The laws seems to give farmers choice and freedom but the likelihood is that they would slowly become vulnerable to a few powerful corporations, they could take control over crop pricing thereby increasing the surplus value, they can control the storage etc. Hence these new bills in long term would be detrimental to the farmers and most likely to benefit large corporation players. Like Marxist theory the class struggle the gap between the farmers and the corporations is getting widened further and the surplus value is also increasing as the corporations pay very little to the farmers in comparison to the price at which they sell that same product at the market. As Marx said capitalism produces the germs of its own destruction, therefore because of all the resentment and discrimination faced by the farmers got further aggravated with the coming of the farm bill and the farmers went into protest to destroy the whole structure of exploitation and suffering. For the protest to be successful it is important that the working class of the whole world unite as Marx and Engels wrote "The workers of the world unite. The workers have nothing to lose but their chains". They have a world to win". And with the

continuous protest to protect their position the bill was finally repealed.

References:

1. Stalin.J.V.(1906). *The class struggle*
<https://www.marxists.org>
2. Jean. Catelier. (1991). *Marx's theory of value, exchange and surplus value: a suggested reformulation*.vol.15,No.3. Oxford university press. <http://www.jstor.org/stable/23598221>
3. Ministry of agriculture sector towards GDP. (2021). *Agriculture has the bright spot in the economy despite Covid-19*. Press information bureau. <https://www.pib.gov.in>
4. Bajaj.Vikas. (2012). *As grain piles up,Indias poor still go hungry*. *The newYork times*. <https://www.nytimes.com/2012/06/08/business/global/a-failed-food-system-in-india-prompts-an-intense-review.html>
5. PRS Legislative Research (2020). *The Farmers (Empowerment and protection) agreement on price assurance and farm services bill, 2020*. <https://prsindia.org/billtrack/the-farmers-empowerment-and-protection-agreement-on-price-assuarance-and -farm-services-bill-2020>
6. The Economic Times. (2020). *Agricultural reforms: Here's look at key measures in the legislation passed in Lok Sabha*. <https://m.economictimes.com/news/economy/agriculture/agricultural-reforms-heres-a-look-at-key-measures-in-the-legislation-passed-in-Lok-Sabha/reasons-for-decline/slideshow/78201767.cmsd-farm-services-bill-2020>
7. PRS Legislative Research (2020). *The farmers produce trade and commerce (promotion and facilitation) Bill, 2020*. Prsindia.org
8. Ministry of consumer Affairs, Food & Public Distribution. (2020). *parliament passes the essential commodities (Amendment) Bill*. Pib.gov.in
9. Stalin.J.V.(1906). *The class struggle*. <https://www.marxists.org>
10. Gupta. Dipankar. (2020). *The farmers protest, truths and half truths*. <http://www.thehindu.com>