GlobalResearch
Center for Research on Globalization

Debt, GMO, Demonetization: The Corporate Hijack of Indian Agriculture

The Regional Comprehensive Economic Partnership (RCEP) could accelerate this process

By Colin Todhunter
Global Research, June 22, 2017

Region: Asia
Theme: Biotechnology and GMO, Global Economy, Law and Justice, Poverty & Social Inequality

The plight of farmers in India has been well documented. A combination of debt, economic liberalisation, subsidised imports, rising input costs and a shift to cash crops (including GM cotton) has caused massive financial distress. Over 300,000 (perhaps closer to 400,000) have taken their lives over the last 20 years. From the effects of the Green Revolution (degraded soils, falling water tables, drought, etc.) to the lack of minimum support prices and income guarantees, it is becoming increasingly non-viable for many smallholder farmers to continue. The effects of last year's demonetisation policy merely compounded the situation.

Indian smallholder/peasant farmers are under attack on all fronts. Transnational corporations are seeking to capitalise the food and agriculture sector by supplanting the current system with one suited towards their needs (the maximisation of profit), ably assisted by the World Bank and its various strategies and directives. Moreover, proponents of neoliberalism are pushing to further commercialise the countryside, which will involve shifting hundreds of millions to cities.

The Regional Comprehensive Economic Partnership (RCEP) could accelerate this process. A trade deal now being negotiated by 16 countries across Asia-Pacific, the RCEP would cover half the world's population, including 420 million small family farms that produce 80% of the region's food.

GRAIN is an international non-profit organisation and has just released a short report that outlines how RCEP is expected to create powerful new rights and lucrative business opportunities for food and agriculture corporations under the guise of boosting trade and investment.

Land acquisition and seed saving

GRAIN is a small international non-profit organisation that works to support small farmers and social movements in their struggles for community-controlled and biodiversity-based food systems. (Source: Wikipedia)

What RCEP will do, according to GRAIN, is allow foreign corporations to buy up land. This would provide corporations with far more control than just use rights and drive up land prices and speculation, pushing small farmers out. If RCEP is adopted, it could intensify the great land grab that has been taking place in India.

Turning to the issue of farmer seed-saving, GRAIN notes that Monsanto and Bayer want to end this practice and force farmers to buy their proprietary seeds each season. The global seed industry is highly concentrated today and recent (proposed) mergers will consolidate power and influence over both governments and farmers. For example, China is currently in the process of buying Syngenta, one of the world's top three seed firms. According to Grain, this means that China will have a new vested interest in seeing seed laws strengthened via tighter intellectual property rights under RCEP.

We have already seen the devastating effects on Indian farmers due to Monsanto's 'royalties' (on 'trait values') on GM cotton seeds in India. Monsanto effectively wrote and broke laws to enter India. Under RCEP, things could get much worse. According to GRAIN, if states are allowed patents on inventions 'derived from plants' (whether hybrid or genetically modified seeds), we could see higher seed prices, a further loss of biodiversity, even greater corporate control and a possible lowering of standards (or a complete bypassing of them as with GM mustard) for high-risk products such as GMOs.

India's dairy sector

The Indian government has encouraged the co-operative model in the dairy sector with active policy protection. However, the dairy trade could be opened up to unfair competition from subsidised imports under RCEP. We have already seen the effects of this in the edible oils sector, for instance.

According to RS Sodhi, managing director of the country's largest milk cooperative, Gujarat Co-operative Milk Marketing Federation, the type of deals being pushed under the banner of 'free trade' will rob the vibrant domestic dairy industry and the millions of farmers that are connected to it from access to a growing market in India.

Source: Alimenta

India’s dairy sector is mostly self-sufficient and employs about 100 million people, the majority of whom are women. The sector is a lifeline for small and marginal farmers, landless poor and a significant source of income for millions of families. Up until now they have been the backbone of India’s dairy sector.

New Zealand’s dairy giant Fonterra (the world’s biggest dairy exporter) is looking to RCEP as a way in to India’s massive dairy market. GRAIN notes that the company has openly stated that RCEP would give it important leverage to open up India’s protected market. As a result, many people fear that Indian dairy farmers will either have to work for Fonterra or go out of business.

At the same time, some RCEP members not only heavily subsidise their farmers, but they also have food safety standards that are incompatible with the small-scale food production and processing systems that dominate in other RCEP countries. There is sufficient room for concern here: during the ‘mustard crisis’ in 1998, ‘pseudo-safety’ laws were used to facilitate the entry of foreign soy oil: many village-level processors were thereby forced out of business.

GRAIN argues that RCEP could accelerate the growth of mega food-park investments that target exports to high-value markets, as is already happening in India. These projects involve high tech farm-to-fork supply chains that exclude and may even displace small producers and household food processing businesses, which are the mainstay of rural and peri-urban communities across Asia. This would dovetail with existing trends that are facilitating the growth of corporate-controlled supply chains, whereby farmers can easily become enslaved or small farmers simply get by-passed by powerful corporations demanding industrial-scale production.

Fertiliser and pesticide use will increase

Fertiliser and pesticide sales are expected to rise sharply in Asia-Pacific in the next few years. Agrochemical use is heaviest in China and growing rapidly in India. GRAIN notes that China’s acquisition of Syngenta, the world’s top agrochemical company with more than 20% of the global pesticide market, puts the country in a particularly sensitive position within RCEP.

A farm worker sprays cotton plants with pesticides on the farm of Jarnail Singh in Jajjal village, Punjab, India, on Aug. 28, 2013. The “Green Revolution” introduced the use of chemical fertilizers and pesticides Punjab’s farmers. (photo: Prashanth Vishwanathan/Bloomberg)

According to GRAIN, in January 2017, China announced that it will scrap export tariffs on nitrogen and phosphorus fertiliser in order to boost its market share abroad. RCEP trade ministers have promised to deliver a deal that immediately cuts tariffs to zero on 65% of trade in goods, followed by a second phase to cut the rest. GRAIN states that farm chemicals are bound to be part of this, resulting in increased residues in food and water, more greenhouse gas emissions, rising rates of illness and further depletion of soil fertility.

Big retail will wipe out local markets

RCEP also demands the liberalisation of the retail sector and is attempting to facilitate the entry of foreign agroprocessing and retail gaints, which could threaten the livelihoods of small retailers and street vendors. The entry of retail giants would be bad for farmers because they may eventually monopolise the whole food chain from procurement to distribution. In effect, farmers will be at the mercy of such large companies as they will have the power to set prices and also will not be interested to buy small quantities from small producers.

RCEP is designed to usher in a wave of corporate consolidation and help facilitate take-over of Asia's food and agriculture sector from seed to plate. Corporate concentration will deprive hundreds of millions of their livelihoods. Moreover, the type of farming and food production practices that these corporations will bring entails massive social, health and environmental costs, which ordinary people and the state sector ultimately bear.

Neoliberal ideologues may say exposing farmers and those working in the food sector to such agreements can only be good for 'growth' and is a perquisite for transforming countries like India. But this is a bogus argument that seeks to hijack the development agenda by seeking to define it solely in terms of GDP growth – a narrow, outdated and wholly misleading concept. RCEP is a recipe for undermining biodiverse food production, food sovereignty and food security for the mass of the population. It will also massive job losses in a country like India, which has no capacity for absorbing such losses into its workforce.

Moreover, RCEP belongs to a model of development that is the wholly unsustainable due to the impact on the environment of capitalism's 'infinite growth' paradigm. Given Gandhi's views on the environment, if any country should recognise this, it is India. Writing from a Marxist perspective, prominent economist Prabhat Patnaik appreciates the need to align any notion of development with the requirement to live within the limits of the environment, which Gandhi stressed:

> "This really is a spiritual/cultural question, about what it means to live a good life… Marxism shouldn't be reduced to productionism. The goal of socialism has always been human freedom, which is about much more than material wealth… Gandhi talked about the ethical demands of nature… we do have to live within the limits of nature."

Patnaik proposes an alternative to the current neoliberal agenda by saying we must delink ourselves from capitalist globalisation via capital controls, managing foreign trade and expanding the domestic market through the protection and encouragement of petty production, including peasant agriculture; through larger welfare expenditure by the state; and through a more egalitarian distribution of wealth and income.

While calling for new and innovative solutions to the problems we face under capitalism, aspects of his thinking dovetail with many in the environmental/food sovereignty movement who advocate a need for localisation not globalisation, self-sufficiency not corporate dependency.

There is a need to encourage localised food economies that are shielded from the effects of rigged trade and international markets. Rather than have transnational agribusiness corporations determining global and regional policies and private capital throttling democracy, we require societies run for the benefit of the mass of the population and a system of healthy food and sustainable agriculture that is run for human need.

We need only look at Mexico and what 'free trade' has done to that country's food and agriculture sector: destroyed health, fuelled unemployment, transformed a rural population into a problematic group of migrants who now serve as a reserve army of labour that conveniently depresses the incomes of those in work. The writing is on the wall for India.

Current policies seek to tie agriculture to an environmentally destructive, moribund system of capitalism. RCEP would represent a further shift away from real, practical solutions to India's agrarian crisis based on sustainable agriculture and which place the small farmer at the centre of the development paradigm.

Details about what can be done to resist RCEP are outlined at the bottom of this page on GRAIN's website.

Colin Todhunter is an independent writer.

Featured image: yourarticlelibrary.com

Comment on Global Research Articles on our Facebook page

Become a Member of Global Research

Articles by: Colin Todhunter

About the author:

Colin Todhunter is an extensively published independent writer and former social policy researcher. Originally from the UK, he has spent many years in India. His website is www.colintodhunter.com https://twitter.com/colin_todhunter

For media inquiries: publications@globalresearch.ca