

# FARM WORKERS DURING COVID

Biggest Casualty of Neoliberal Food Systems

RANJINI BASU



A POLICY PAPER BY  
Focus on the Global South  
IN COLLABORATION WITH  
Rosa Luxemburg Stiftung-South Asia

FEBRUARY 2021

**Author:** Ranjini Basu

Ranjini Basu is an agricultural policy researcher with Focus on the Global South, based in New Delhi.

**Design:** Antara Ghosh ([www.behance.net/moonydancer](http://www.behance.net/moonydancer))

**Published by:** Focus on the Global South with support from the Rosa Luxemburg Stiftung – South Asia office.

The publication is sponsored by the Rosa Luxemburg Stiftung with funds of the Federal Ministry for Economic Cooperation and Development of the Federal Republic of Germany. This publication or parts of it can be used by others for free as long as they provide a proper reference to the original publication.

The content of the publication is the sole responsibility of the partner and does not necessarily reflect a position of RLS.

**February, 2021**



# TABLE OF CONTENTS

<b>Introduction</b>	7
<b>India</b>	9
<i>Impact of the COVID-19 pandemic</i>	11
<b>United States of America</b>	13
<i>Impact of the COVID-19 pandemic</i>	14
<b>Italy</b>	16
<i>Impact of the COVID-19 pandemic</i>	18
<b>Way Ahead</b>	19
<b>Endnotes</b>	23





## INTRODUCTION

The COVID-19 pandemic has laid bare the long standing inequalities created in the four decade long pursuit of the neoliberal economic regime. The extent of the economic crisis that has accompanied the health emergency has made even the Financial Times, undeviating mouthpiece of the corporate-led neoliberal order, propose 'radical reforms' - greater role of the state, redistributive measures, basic income and imposing wealth taxes.<sup>1</sup>

At a time when there is rethinking on the way ahead, we see a contrast-

ing picture in India. The Indian government used the COVID-19 pandemic as an opportunity to push a flurry of anti-labour and neoliberal reforms. Part of the reforms agenda is the liberalization of agricultural markets through the three agricultural Acts. The three Acts are namely the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020; the Farmers (Empowerment and Protection) Agreement on Price Assurance

### **THE INDIAN GOVERNMENT USED THE COVID-19 PANDEMIC AS AN OPPORTUNITY TO PUSH A FLURRY OF ANTI-LABOUR AND NEOLIBERAL REFORMS. PART OF THE REFORMS AGENDA IS THE LIBERALIZATION OF AGRICULTURAL MARKETS THROUGH THE THREE AGRICULTURAL ACTS.**

and Farm Services Act, 2020, and the Essential Commodities (Amendment) Act, 2020 have to be seen in their entirety. These Acts suggest greater privatisation and capture of Indian agriculture by agro-businesses and corporates. While the discussion of the impacts of the Farm Acts is largely focused on land owning cultivators, there is not much talk around its effects on the class of rural workers. This policy brief tries to address this gap.

In India, neoliberal reforms in agriculture were introduced in the beginning of the 1990s. Some countries of the West have had their tryst with more aggressive neoliberal policies into agriculture much earlier.

During the COVID-19 lockdowns across the globe, food production never came to a halt, largely due to the essential services provided by farm workers and food producers. However, these are the very sections who have been the worst sufferers of the inequalities brought about by the neoliberal reforms over the last few decades. The first report by the Special United

Nations Rapporteur, Michael Fakhri, on the Right to Food noted, "The COVID-19 pandemic illustrates one reason people are on the verge of a hunger crisis is because essential food workers are being forced to put their health at risk. Their employers are not providing safe workplaces and States are not providing adequate support during the pandemic. Without healthy workers, the world cannot have a stable and available food supply."<sup>2</sup>

This paper will discuss the impact of neoliberal policies in agriculture on farm workers, along with their situation during the COVID-19 pandemic. The paper will focus on experiences of the United States of America (US) and Italy to pose scenarios from the global north where corporate-led agriculture has taken deeper roots. Agricultural production in these two countries relies heavily on cheap migrant labour from the developing world. This will provide an example of what a more aggressive push towards neoliberal agenda in agriculture can mean to the sections of small producers and farm workers. However, to fully grasp the impact of greater liberalization of Indian agriculture, we must first begin with an assessment of the present condition of farm workers, the most marginalized sections of the Indian countryside



## INDIA

Neoliberal reforms were ushered into Indian agriculture in the early 1990s. The phase starting from then was characterized by withdrawal of state support in the form of input subsidies and institutional credit, which then reflected in the rising cost of cultivation and declining farm incomes. This phase has seen an aggravation of the agrarian crisis. Rising numbers of farmer suicides due to indebtedness has been symptomatic of a deeper crisis.

The point which needs to be emphasised is that agrarian distress in India acts upon the existing socio-economic disparities in the rural countryside. As a result of an unfinished agenda of land reforms in most parts of the country, there continues to be wide disparities in distribution of property and assets. According to the Agricultural Census in 2015-16, while 85 per cent of the farms were below two hectares in size, the small producers owned and controlled only 47 per cent of the total agricultural land<sup>3</sup>. This inequality manifests itself in the perpetuation of discriminations based on caste, tribe, gender etc. These conditions make the impact of the agrarian distress also differential across agrarian classes and social groups. The specific context of the existing 'elite' in the Indian situation and the unequal relations of production and power have to be kept in focus in our estimation of the impacts of any agricultural policy. Since the advent of neoliberal reforms, the conditions have tilted most adversely against landless agricultural workers who form the bottom rung of the agrarian class structure.

**ACCORDING TO THE AGRICULTURAL CENSUS IN 2015-16, WHILE 85 PER CENT OF THE FARMS WERE BELOW TWO HECTARES IN SIZE, THE SMALL PRODUCERS OWNED AND CONTROLLED ONLY 47 PER CENT OF THE TOTAL AGRICULTURAL LAND.**

In the post 1991 period, as a result of falling agricultural incomes, rural households have been dependent on multiple sources of incomes, or what is referred to as 'pluriactivity'. Therefore, as a result of the declining availability of days of employment in agriculture, there is an increasing dependence on non-farm incomes. As a result, a pure agricultural labourer class has largely been replaced by manual workers, who have to rely on an assorted basket of employment for sustenance. These manual workers also comprise the migrant footloose labour. The rising numbers of short-term circular migrants, moving from villages to cities for work mostly in the informal sector have to be seen within the context of the deepening agrarian crisis<sup>44</sup>. These circular migrants travel back to their villages during the main agricultural seasons to work on the fields as family labour. Small and marginal cultivators are also pushed to labour out in other fields to supplement falling farm incomes. Therefore, farm hands in India exist within a scenario of increasing proletarianisation in the Indian countryside<sup>5</sup>.

We can attempt to understand this trend of greater proletarianisation in rural India by looking at the Census of India estimates between 2001 and 2011 of the number of cultivators and agricultural labourers. As we discussed above, these categories are not exclusive. Additionally, the Census figures are not complete, as they leave out certain sectors like plantation from its accounting. However, the figures are useful in providing us indicative trends over a period of time. Since 1991 there has been an overall decline in the agricultural workforce in the overall population. Within this declining workforce, between 2001 and 2011, there was a rise in the proportion of agricultural labourers, while there was a fall in the number of cultivators. It means more cultivators were pushed into the category of agricultural labourers between these two periods<sup>6</sup>. According to the Census,

in 2011 there were 144.3 million (30 per cent of the total workforce) agricultural labourers and 118.7 million cultivators. The growth rate of agricultural labourers between 2001 and 2011 was 34 per cent.

Mobility of the migrant agricultural labourers is guided by the spatial differences in agricultural advancements within the country. The regional biases of the impact of Green Revolution and expansion of irrigation, has led to differentiated cropping patterns and width of the agricultural season across different states. For example, states such as Punjab, Haryana, western Uttar Pradesh, which saw the biggest increase in productivity and expansion of irrigation in the post Green Revolution period, ushered on the shoulders of rich farmers, see a big movement of incoming migrant agricultural workers during the irrigation-intensive rabi (winter) season. The migrant agricultural workers from eastern states of Bihar and Jharkhand travel to the north to find employment during the lean season in their home states. These internal migrant agricultural workers also predominantly belong to the backward caste groups<sup>7</sup>.

The increasing crisis in employment and rural incomes has made the work and living condition of these internal migrant agricultural workers more precarious. One such reported instance of growing precarity was the case of the female workers from Maharashtra's drought prone Beed district, who migrate to the state's western belt for the sugarcane harvesting season. Reports emerged of villages in Beed where female migrant workers had undergone hysterectomies, as contractors fined couples for absence from work, even on account of menstrual leaves. Additionally, the dismal and unhygienic living conditions on the sugarcane fields were challenging for the menstruating female workers. While the contractors paid advance to the women to get operated, the women workers felt compelled

to take upon the surgery as they could not afford the loss of even a day's wage of their abysmal earnings<sup>8</sup>.

It is under these conditions of falling employment and stagnant wages that the effects of the pandemic were borne by the agricultural workforce. In the following section, we discuss the impact of COVID on agricultural workers

## IMPACT OF THE COVID-19 PANDEMIC

COVID-19 struck India at a time when the economy was reeling under a demand crisis that began in 2019. This demand crisis was most felt in the rural areas, which saw a decline in overall consumption levels. One of the main factors that led to such a slowing down of the rural economy and fall in consumption levels was the reduction in days of employment available to manual workers and the stagnant growth in wages. Research done by the State Bank of India shows that real wage growth for rural labourers plunged from 14.6 per cent in 2014 to a mere 1.1 per cent in 2019<sup>9</sup>. Rural wage rates have been de-accelerating since 2014-15. Further, the data on Wage Rates in Rural India, published by the Labour Bureau of India shows that women labourers fared even worse receiving four fifths of the wages that were paid out to men in the harvest and post harvest agricultural operations<sup>10</sup>.

Under such conditions of already declining availability of employment and declining wages, the pandemic was a further blow to the livelihoods of the agricultural workers. When the initial lockdown was announced in March 2020 it was the rabi (winter) agricultural season. As discussed earlier, this season usually witnesses movement of migrant

workers from the eastern states to the irrigated northern states of Punjab and Haryana for wheat harvesting and also seeking employment in the *mandis* (wholesale markets) for labour operations. It is estimated that in a usual year around one million and 0.6 million migrant workers from Bihar get employed in Punjab and Haryana, respectively, during the rabi season.<sup>11</sup>

However, due to the unprepared lockdown, the migration pattern of this labour force got restricted; many had to hurriedly go back to their home states. As a result there was a situation of labour shortage in the northern states. In the eastern states where the migrant workers returned there was surplus labour and the wages fell. Telephonic surveys with respondents in a Bihar village, which usually sends a large proportion of migrant agricultural labourers to Punjab, reported that the piece rate wages fell by INR 50 per cottah (0.075 acres)<sup>12</sup>. The survey further found that the COVID-19 lockdown had affected the food intake of poorer peasant and manual labour households.

In Punjab another kind of subjugation was faced by its own agricultural labourers during this pandemic. Punjab has the highest concentration of land and landlessness among Dalits in the country. The share of households having operational holdings in the largest land size category (> 24.7 acres) was 1.2 per cent in the state, while they controlled 12.6 per cent of the total agricultural land according to the 71st round of the National Sample Survey conducted in 2013. Rich farmers belonging to the Jat caste group are the largest controllers of land in the state. As they faced a shortage of migrant labourers to work on their fields, reports suggest that they placed dictums on local landless labourers to work for them on wages decided by them. These decisions were taken by the caste-panchayats headed by the Jat landowners, which

undemocratically tried to tie down the Dalit labourers from seeking employment outside the village. This particular instance provides an impression of the labour repressive tendencies that continue to exist in the Indian countryside, where the inequities in property relations play a vital role against the agricultural proletarian class. The impact of further liberalization of Indian agriculture will act upon these existing inequalities and the most negative impact will be felt by the already dispossessed rural sections.

Next we turn to the condition of farm workers in the US and Italy, where corporate-led neoliberal reforms in agriculture have been more entrenched.



## UNITED STATES OF AMERICA

The US model of agriculture is often kept on a pedestal and the Indian government makes a case for its replication. However, the reality is that after four decades of neoliberalism, the small family farms in the US are reeling under an agrarian crisis. The present crisis is being compared to the 1980s farm crisis which resulted in the formulation of the National Food Security Act in 1985 and opened up an era of integration of the US food production chain with global commodity markets through greater export orientation. However, since then falling commodity prices in the world market have exacerbated the falling farm incomes of the small family farms<sup>13</sup>, which have come to increasingly depend on non-agricultural incomes to stay afloat.

The United States Department of Agriculture categorizes farms on the basis of annual gross cash farm income (GCFI) of the farm business, the primary occupation of the operator, and ownership of the farm. So, unlike in India, the size of the farms is not criteria for designating small farms, but their incomes and proprietary status are. In 2012, the average farm size in the US was 251 acres<sup>14</sup>. Applying the same typology, statistics from 2018 showed that while 90 per cent of the US farms were small, they operated on 48 per cent of the total agricultural land. The same set of data showed that non-family farms, including corporate-controlled farms, constituted only 2.1 per cent of the farms but operated on 11.7 per cent of the land. Similarly, the very large family farms comprising only 2.7 per cent of the farms held 19.6 per cent of the entire operational land and contributed 46 per cent of the entire value of agricultural production<sup>15</sup>. It is the small number of large corporation-run farms that disproportionately set the procurement standards and agricultural supply chains in the US.<sup>16</sup>

The farm crisis has been particularly acute between 2013 and 2018, when net farm incomes registered a drop of 50 per cent as a result of a crash in prices of food commodities. The Trump administration announced a trade bailout package in 2018 to cover the losses accrued by farmers. However, analysis shows that the top 10 per cent of the largest farms amassed close to 45 per cent of the total direct trade aid given out by the US government in early 2020<sup>17</sup>. This has led to further corporate concentration in US agriculture.

The credit situation of the small farms is at its worst since the early 2000s. While indebtedness is rising, the availability of credit is falling<sup>18</sup>. The Black farmers in the US have to additionally face racial discrimination in accessing farm support; as a result, their already small share in the total farm ownership has fallen over the years<sup>19</sup>. Rates of farm suicides in the US have doubled since 2013, which is linked to the present farm crisis<sup>20</sup>.

However, immigrant farm workers suffer the most in the US agriculture system. No proper data is kept of these workers, largely to avoid any regulation. It is estimated that US farms employ more than 1.4 million immigrant farm workers of whom half are undocumented. These workers, predominantly from Mexico and also from Central America and South East Asia are deployed on the vegetable and fruit farms for manual harvesting. Unlike the foodgrain sector, fruits and vegetable farms still remain largely non mechanised and dependent on manual labour. The low wages and back-breaking work is largely taken up by migrant farm workers on these farms.

A joint study supported by US-Oxfam, in collaboration with the United Farm Workers and Bon Appétit Management Company Foundation, in 2011 found that the condition of farm workers was largely unregulated across the country. There was no proper enumeration of their numbers, which also meant that they were kept invisibilised and denied any state support. The report found that the federal laws applicable to regular workers, catering to the length of workday, wages, healthcare benefits, and right to unionise, were largely denied or remained un-enforced in

the case of these immigrant farm workers, who often belong to the most marginalized and deprived sections. Hispanic workers form the largest share of such workers, and cases of child labour and abuse were also found on farms across counties. Majority of the US farms were exempted from complying to any basic regulation of work contracts entered with immigrant farm workers.<sup>21</sup>

## IMPACT OF THE COVID-19 PANDEMIC

As COVID-19 struck the US farm economy, the smaller farms felt the biggest impact of falling demand and price crash as well as closure of markets<sup>22</sup>. The effects of the US-China tariff wars, which were already underway before the pandemic and resulted in falling exports of agricultural commodities, especially soyabean, got further accentuated in this period. The federal support announced by the Donald Trump administration for the farm sector, which was one of the biggest across the world, was disproportionately appropriated by the bigger farms.

Fifty per cent of the farm workforce in the US is undocumented and 10 per cent are shuttle migrants. On March 20, 2020 the Trump administration announced closure of US-Mexico borders, and as

a result there was an almost 50 per cent fall in the number of migrant workers entering the US causing a labour crisis. In order to provide some relief, especially to the smaller farm businesses, relaxations were provided for entry of immigrant guest workers with H2A or H2B visa during the period of the agricultural season. However, this too might not have ensured enough farm labour,

**FIFTY PER CENT  
OF THE FARM  
WORKFORCE IN THE  
US IS UNDOCUMENTED  
AND 10 PER CENT ARE  
SHUTTLE MIGRANTS.**

as H2A workers only contributed a marginal 10 per cent of the total farm workforce in 2019<sup>23</sup>. The H2A visa status is also biased in favour of the employers and is often used as an instrument to deny any raise in wages.

While US farms reel under a labour crisis, the condition of the farm workers under COVID-19 has been deplorable. Farm workers who move from county to county during the harvest season became infected with the virus on a large scale. These workers are rounded up in crowded buses, live in cramped bunker style accommodation on the farms and are not provided any protective gear. Living in disconnected rural areas, in the absence of proper healthcare facilities, these workers suffered immensely during the pandemic. Reports came in of the entire population of workers in certain farms testing positive for COVID-19<sup>24</sup>. None of the government support measures and health benefits are enjoyed by these workers.

Amidst the restricted movements and work status of the immigrant workers, their wages also faced an attack by the US Federal administration. The government was pushing the agenda for slashing wage rates, which will further worsen the condition of the farm workers as well as their families. Farmworkers' organisations have been raising these concerns and staging protests across the country.<sup>25</sup>





## ITALY

Now we turn to the case of Italy, where, the *caporalato* or gang-master system has in recent past found attention among policy makers, academics and progressive movements. The *caporalato* system can be explained simply as a labour contracting arrangement which employs and places migrant workers in farms across Italy. The driving force behind the *caporalato* system is Italy's linkages with the global food supply chain of fruits and vegetables. In recent times the *caporalato* system has come under the scanner for its mafia associations and incidences of deaths of migrant workers under harsh conditions and lack of medical attention.<sup>26</sup>

Since the 2008 financial crisis, the process of earlier regularisation of migrant workers saw a reversal and there has been 'agrarianisation' of migrant worker.<sup>27</sup> According to a 2015 estimate, half of the total agricultural workforce of Italy, which at that time numbered 4,30,000, were migrant workers. Another set of data from the same period found that half of the agricultural workforce was employed without a contract, 16 per cent of them did not have any labour rights and 38.7 per cent received wages lower than the stipulated wages. These workers belong to poorer East European countries, Africa and more recently there has been an increase in the number of migrants from the Indian state of Punjab<sup>28</sup>. Since the 1990s there has been a steep rise in the migrant labour force on Italian farms, and especially in the last decade it has tripled with one third of the migrants belonging to India<sup>29</sup>. Most of them remain undocumented and thus deprived of any protection under the employment laws.

YEAR	MIGRANT WORKERS IN AGRICULTURE			TOTAL AGRICULTURAL WORKERS
	NON-EU MIGRANT WORKERS	MIGRANT WORKERS OF THE A8 COUNTRIES THAT JOINED THE EU IN 2004	TOTAL IMMIGRANT WORKERS	
2007	73,091	111,077	184,168	1,032,308
2008	82,085	120,409	202,494	1,037,116
2009	93,042	129,056	222,098	1,023,871
2010	103,688	148,195	251,883	1,032,666
2011	113,304	154,531	267,835	1,021,020
2012	120,391	154,024	274,415	1,018,262
2013	124,077	154,271	278,348	1,015,556
2014	127,979	155,738	283,717	1,009,083
2015	132,577	155,899	288,476	1,034,525
2016	135,234	151,706	286,940	1,035,654

Table 1: Immigrant Farmworkers in Italy | Source: Corrado (2018)

A close reading of the *caporalato* system and its usage of migrant farm workers provides us some insights into how the capital-labour relations have taken shape under the neoliberal agricultural system.<sup>30</sup> Greater linkages of producers with the chains of large super markets across Europe have led to a re-alignment and dependence on labour controlling mechanisms and cheaper labour using the *caporalato* system.<sup>31</sup>

The Common Agricultural Policy (CAP) of the European Union, which has close to six decades of history behind it and a series of structural reforms since then, is the cornerstone of European agricultural policy. The CAP has increasingly set an agricultural policy in favour of agro businesses, under which large corporate farms (over 100 acres in size) operating majority of the agricultural lands have been able to accrue the largest shares of subsidies.<sup>32</sup> Despite the variation in the levels of concentration of these agro-business led farms across the European Union the phenomenon has emerged as an overall reality. This market-oriented policy has accentuated inequalities across regions and socio-economic groups. Increasingly there has been a trend of smaller farms getting incorporated into corporate-run large farms. This system has established a profit-driven hierar-

chical supply chain with multiple actors, including big retail supermarkets, multinationals, corporations, transport companies and producers. More than 70 per cent of the domestic market in Italy is controlled by the big retail and supermarket chains. These retail chains span the entire continent and often go into contracts with other big distributors and suppliers in order to offload value chain operations and reduce expenses. This, in turn, creates an oligopolistic control over determination of prices drawn by the suppliers and producers. The pressure of competing with big players and maintaining profits by keeping the cost of production down has most adversely affected the wages drawn by farm workers. Structural issues related to the largely labour-dependent fruits and vegetable sector, the far removed and relatively smaller size of the majority farms in Italy, makes their producers incapable of negotiating higher prices with the big retail actors.

These conditions along with the relaxation of labour protection laws in Italy have strengthened and brought the role of the *caporalato* system of managing the agricultural labour market to the centre stage. These gang masters enter into a range of labour supply, organising and supervisory functions. Many of these gang masters are

**THE FAR-RIGHT  
OPPOSITION  
PARTY HAS  
ALREADY  
EMBARKED ON  
A CAMPAIGN  
AGAINST  
PROVIDING  
ASYLUM TO  
THESE WORKERS.**

themselves migrant workers who put their previous experience to work in order to manage seasonal labour needs on the Italian farms. They have turned out to be indispensable to the producers as well as for the migrant workers who look up to them for employment opportunities. They have also been found to take recourse to violence and threats to make migrant workers work long hours without adequate remuneration. The undocumented and vulnerable workers at the other end are pushed to bear with these exploitative conditions due to fear of deportation and other insecurities in their home countries emanating from unequal levels of development.<sup>33</sup>

During the previous term of the far-right government led by Matteo Salvini, migrant workers found themselves at the centre of continued xenophobic and racist attacks<sup>34</sup>. These attacks along with demands for fair wages and better living conditions led them to organise protests. The government also showed a lackadaisical approach in implementing the legislations for regulating cases of exploitative practices on Italian farms.<sup>35</sup>

### **IMPACT OF THE COVID-19 PANDEMIC**

During this pandemic the present coalition government of the populist Five Star Movement and the centre-left Democratic Party has also been criticised for favouring agro-businesses. Amidst the fear of facing a shortage of farmhands in the midst of travel restrictions put in place due to the pandemic, the government announced the highly debated and controversial deal of granting temporary stay of six months and work permit to the thousands of undocumented migrant workers in Italy. This was considered to incentivise the essential workers with additional benefits such as pensions and higher wages, who otherwise work without any health cover and under oppressive conditions. The status of these workers once the health emergency ends has become a concern. The far-right opposition party has already embarked on a campaign against providing asylum to these workers<sup>36</sup>. The protests organised by the migrant farm workers declared the COVID immigration policy as 'too late, too little' and still wielding greater control of granting regularization in the hands of the employers.<sup>37</sup> Overall, the pandemic in Italy has again proved that migrant agricultural workers are the worst casualties within the corporate and big retail driven agricultural system.



## WAY AHEAD

As discussed through the emblematic cases of the US and Italy, it can be conclusively stated that years of following neoliberal economic policies in agriculture has led to the prospering of corporate control in the entire food supply chain. This has led to a situation of crisis for relatively smaller family farms. We have discussed how the government support has also been disproportionately accrued by the larger farms in these countries. The smaller farms have been battling for their survival against the benefits of scale enjoyed by the bigger farms, rising cost of production and non commensurable value of agricultural commodities.

However, the biggest victims of this neoliberal food production system have been the farm workers. Both case studies show that as smaller farms dealt with rising cost of production and increasing debt crisis, the axe fell on the wages and work conditions of the farm workers. The dependence on cheap labour to sustain this form of agricultural production system led to an increased entry of immigrant workers from poorer countries. The cases of labour exploitation documented in these countries are not an aberration but part of a larger systemic concern related to a more corporate and export driven agrarian economy. The COVID-19 pandemic has brought to fore both the essential services provided by farm workers as well as their highly vulnerable condition. At a time when the world is witnessing a dual health and economic crisis, these farm workers have suffered on both fronts. Additionally, in recent times farm workers have also been at the receiving end of the rise in anti-immigrant political rhetoric pursued by conservative governments across the world.

When these negative tendencies of the neoliberal food production system are coming to the forefront, the Indian state is moving towards replicating the very same model through its big bang

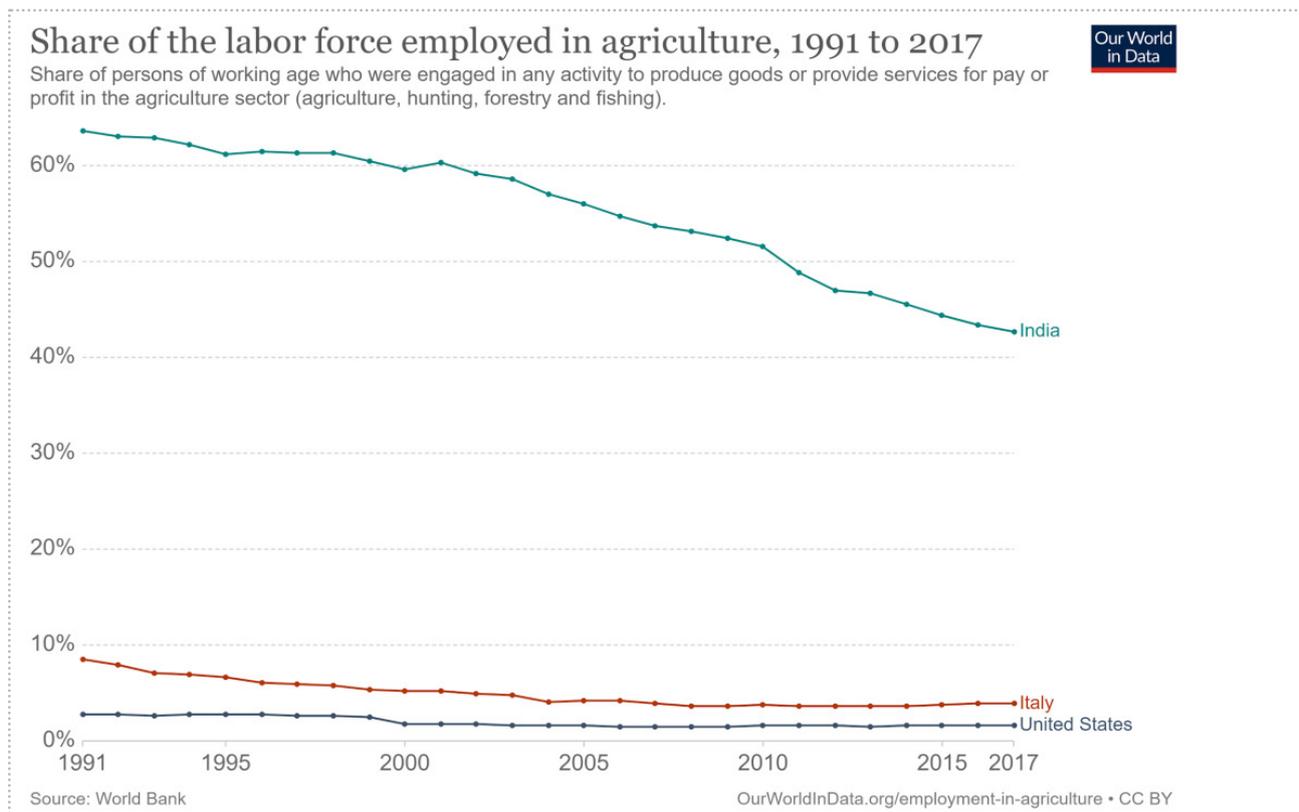


Figure 1: Share of the labour force employed in agriculture, 1991 to 2017, United States, Italy, India

agenda of agricultural reforms via the Farm Acts. These new legislations taken in their entirety open up the possibilities of greater corporate entry and further departure of state support from Indian agriculture. This is greatly worrisome, as even in 2017, India still had almost 43 per cent of its workforce dependent on agriculture. In contrast, the figures for the US and Italy were 1.6 per cent and 3.9 per cent, respectively (see figure 1). Therefore, the repercussions of such liberalizing of the agricultural sector in India will be felt by a much larger population.

Furthermore, these reforms in agriculture come at a time when the share of producer support or subsidies provided by the government in farm incomes is one of the lowest in India. The new rolled out reforms provides the government with a policy instrument to further reduce its contribution through any assurance of Minimum Support Prices, which does not find any mention in the new legislations. State subsidies have been the cornerstone of sustaining agricultural production in the neoliberal era. The developed countries have been providing one of the biggest share of subsidies to its farming populations. However, as seen in the case of the US and Italy, the corporates and large farmers have a disproportionate control over them. A further reduction in the state support to agriculture would worsen the agrarian crisis in India, and will be most negatively felt by the lower peasantry and toiling agricultural masses.

Figure 2 presents the share of producer support estimates or subsidies in the total gross farm receipts or incomes for various countries. It can be clearly seen that the share of subsidies as part of farmers' incomes in India are in the negative. In other words, the subsidies given to the Indian farmers are not adequate to meet the rising cost of production.

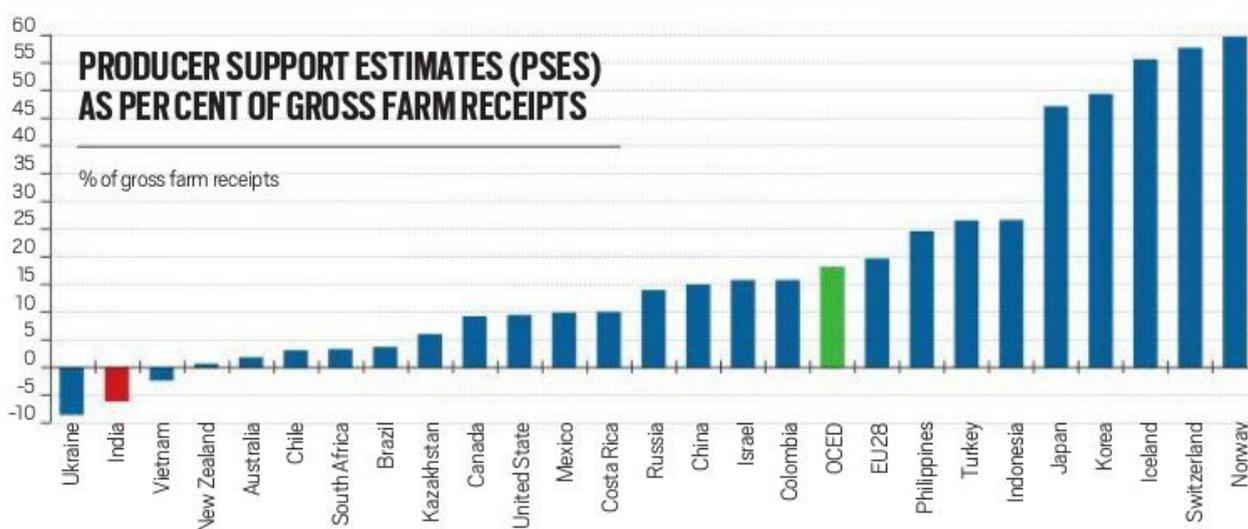
India continues to grapple with existing inequalities in its countryside, where agricultural labourers have to face deprivation and marginalization on lines of caste and gender in addition to skewed property relations. As discussed above, the already negative trend against employment of this section has taken a worse turn during COVID-19. The anti-labour tendencies are seen to be taking hold in regions where the inequality between the agrarian classes is the widest. There are initial reports about rising wage rates in the post lockdown period, however, that seems unlikely as questions are raised around data collection as well as the weakened demand situation in the overall economy.<sup>38</sup>

The present reforms also have to be understood in the consistent inefficiencies of Indian agriculture as compared to the advanced countries, as well as rest of Asia. Figure 3 shows the comparative cereal yields for India, the entire Asia, European Union and the US be-

tween 1990 and 2018. India falls way behind other advanced countries and even its peers in Asia in food grain productivity, which has become stagnant for a considerable period now. This means increase in agricultural wages related to gains in productivity leading to increased production have been dormant for a while. The experience of a state like West Bengal show that gains from a rise in food grain productivity obtained through land reforms led to a rise in wages of agricultural workers. Therefore, steps towards an equitable distribution of land, along with measures to raise productivity through increased state investment and research, has the possibility of ameliorating the condition of the poorest sections of rural India.

In the past, the Mahatma Gandhi National Rural Employment Guarantee Scheme played a role in raising the floor wage in rural India along with

**THE NEW ROLLED OUT REFORMS PROVIDES THE GOVERNMENT WITH A POLICY INSTRUMENT TO FURTHER REDUCE ITS CONTRIBUTION THROUGH ANY ASSURANCE OF MINIMUM SUPPORT PRICES, WHICH DOES NOT FIND ANY MENTION IN THE NEW LEGISLATIONS.**



Source: OECD-ICRIER (2018): Review of Agricultural Policies in India

**The Indian EXPRESS** Mon, 28 September 2020 <https://epaper.indianexpress.com/c/55278100>



Figure 2: Producer Support Estimates as per cent of Gross Farm Receipts, 2018, various countries

## Cereal yield, 1990 to 2018

Cereal yields are measured in tonnes per hectare. Cereals include wheat, rice, maize, barley, oats, rye, millet, sorghum, buckwheat, and mixed grains.

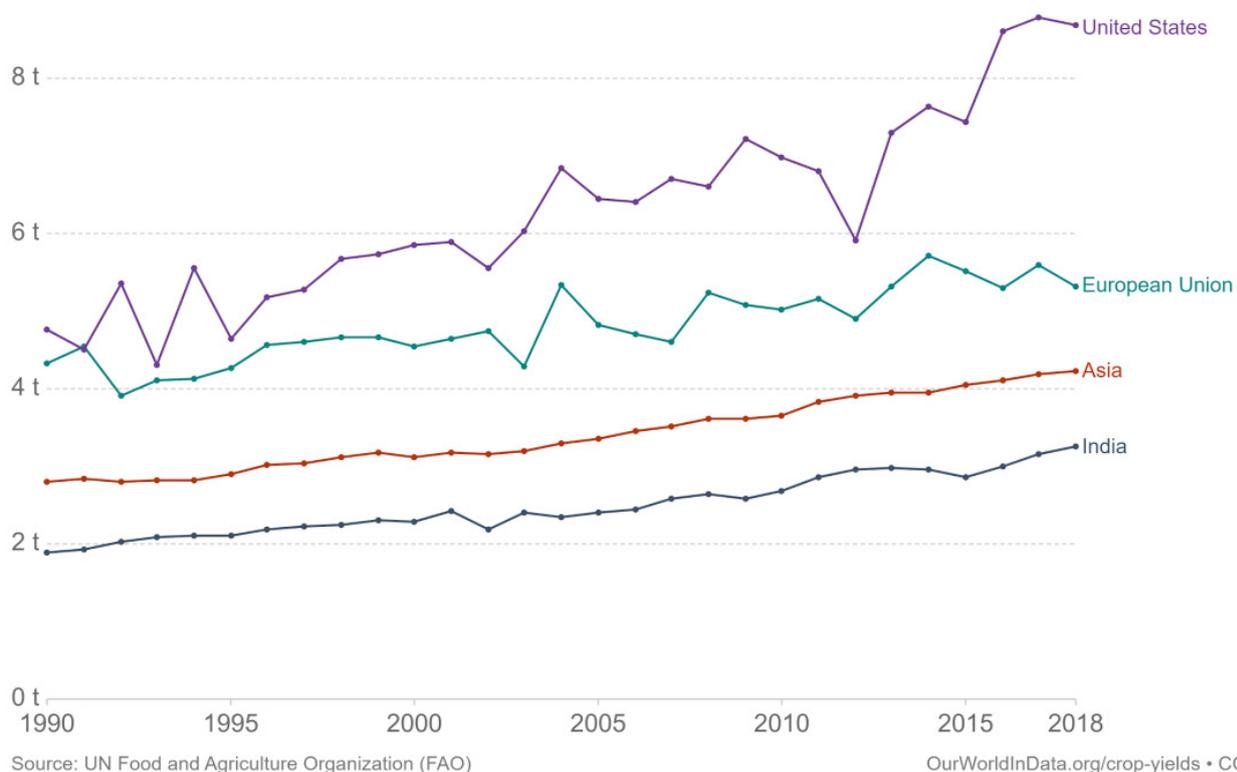


Figure 3: Cereal yield, 1990 to 2018, India, Asia, European Union, United States of America

generating demand. However, that effect has since weakened. The implementation of the MGNREGS during the COVID-19 pandemic, and expanding it to cover guaranteed employment of 200 days per worker has been a demand of various rural workers' organisations, social movements as well as academics. There has been a uniform consensus that an effective implementation of the scheme, together with raising its budgetary allocations, will have a positive role in infusing rural demand and livelihood concerns of the poorest sections of rural working classes. However, the central government failed to raise the budgetary allocations under the scheme under its COVID-19 economic package. The rise of INR 20 in the MGNREGS wage rates is meagre. In almost all states, the MGNREGS revised wages remain far below the minimum agricultural wages. For instance, in Bihar, which saw one of the largest numbers of migrant workers returning home during the COVID-19 lockdown, the raised MGNREGS wage was INR 194 per day, whereas the minimum agricultural wage rates in the state were INR 279.

In order to ameliorate the condition of the rural workers in a continued environment of economic doom, it is imperative to increase public spending to create employment and provide food security. Greater public spending, along with an overhaul of the presently skewed distribution of land, has the capacity to make Indian agriculture more efficient, which will ultimately benefit the rural working classes. But most importantly, the agenda of further neoliberal reforms in Indian agriculture has to be reversed as its effects will be worst felt by the already dispossessed rural classes.

# ENDNOTES

- 1 Editorial. (2020). "Virus Lays Bare the Frailty of the Social Contract". *Financial Times*. <https://www.ft.com/content/7eff769a-74dd-11ea-95fe-fcd274e920ca>
- 2 Fakhri, Michael. (2020). "The right to food in the context of international trade law and policy". *Interim report of the Special Rapporteur on the right to food*. United Nations. <https://undocs.org/A/75/219>
- 3 Bera, Sayantan. (2018). "Small and marginal farmers own just 47.3 per cent of crop area, show farm census". *Livemint*. 1 October. <https://www.livemint.com/Politics/k90ox8AsPMdyPDuykv1eWL/Small-and-marginal-farmers-own-just-473-of-crop-area-show.html>
- 4 Sainath, P. (2011). "Decadal journeys: debt and despair spur urban growth". *The Hindu*. 26 September. <https://www.thehindu.com/opinion/columns/sainath/decadal-journeys-debt-and-despair-spur-urban-growth/article2487670.ece>
- 5 Bakshi, Aparajita and Modak, Tapas Singh. (2017). "Incomes of Small Farmer Households". in Swaminathan, Madhura and Baksi, Sandipan (eds.). *How do Small Farmers Fare?*. Tulika Books. Delhi.
- 6 Sainath, P. (2013). "Over 2,0000 fewer farmers everyday". *The Hindu*, 2 May. <https://www.thehindu.com/opinion/columns/sainath/over-2000-fewer-farmers-every-day/article4674190.ece>
- 7 35 per cent of the ST males migrating to other states were involved in the primary sector, the same was 23 per cent for Scheduled Caste and only 13 per cent for other caste groups (<http://mohua.gov.in/upload/uploadfiles/files/1566.pdf>, estimations based on National Sample Survey 2007-8)
- 8 Jadhav, Radheshyam. (2019). "Why many women in Maharashtra's Beed district have no wombs". *The Hindu Business Line*. 8 April. <https://www.thehindubusinessline.com/economy/agri-business/why-half-the-women-in-maharashtras-beed-district-have-no-wombs/article26773974.ece>
- 9 State Bank of India (2019), "Are we exaggerating the current slowdown?". *Ecowrap*. issue no 34, FY 20. [https://www.sbi.co.in/documents/13958/14472/Ecowrap\\_20190827.pdf](https://www.sbi.co.in/documents/13958/14472/Ecowrap_20190827.pdf)
- 10 Editorial. (2019). "Stagnation in Rural Wage Rates". *Review of Agrarian Studies*. vol 9. no 1. <http://ras.org.in/c04fbb68eb42f3961dc368710dfdacaa>
- 11 Samant, Janaki. (2020). *India's rabi crop withers in the lockdown*. Centre for Monitoring Indian Economy. <https://www.cmie.com/kommon/bin/sr.php?kall=warticle&dt=2020-04-24%2013:42:02&msec=043>
- 12 See report of the Foundation for Agrarian Studies who conducted a rapid assessment survey to study the impact of COVID-19 lockdown across 21 villages of India. The study highlights the regional variations and differences across agrarian classes in the impact of the pandemic on count of three components of health, household incomes and government provisioning. It can be read at <https://frontline.thehindu.com/cover-story/article31404299.ece>
- 13 Description of the categories available at <https://www.ers.usda.gov/topics/farm-economy/farm-structure-and-organization/farm-structure/>
- 14 M. MacDonald, James and Hoppe, Robert A. (2017). *Large Family Farms Continue to Dominate US Agricultural Production*. Economic Research Service. United States Department of Agriculture
- 15 Economic Research Service. (2019). *America's Diverse Family Farms: 2019 edition*. Economic Information Bulletin Number 214. United States Department of Agriculture. December. <https://www.ers.usda.gov/webdocs/publications/95547/eib-214.pdf?v=4142.5>
- 16 M. MacDonald, James et al. (2017). Op cit.
- 17 Heeb, Gina. (2020). "As small US farms face crisis, Trump's trade aid flowed to corporations". CNBC. 2 September. <https://www.cnbc.com/2020/09/02/as-small-us-farms-face-crisis-trumps-trade-aid-flowed-to-corporations.html>
- 18 Farm Aid. (2020). "Understanding the Economic Crisis Family Farms are Facing". 14 September. <https://www.farmaid.org/blog/fact-sheet/understanding-economic-crisis-family-farms-are-facing/#1text>
- 19 Sewell, Summer. (2019). "There were nearly a million black farmers in 1920. Why have they disappeared?". *The Guardian*. 29 April. <https://www.theguardian.com/environment/2019/apr/29/why-have-americas-black-farmers-disappeared>

- 20 Weingarten, Debby. (2018). "Why are America's farmers killing themselves?". *The Guardian*. 11 December. <https://www.theguardian.com/us-news/2017/dec/06/why-are-americas-farmers-killing-themselves-in-record-numbers>
- 21 Perera, Andrea. (2011). Inventory of Farmworker Issues and Protections in the United States. Bon Appétit Management Company Foundation, United Farm Workers and US-Oxfam. <https://s3.amazonaws.com/oxfam-us/www/static/oa3/files/inventory-of-farmworker-issues-and-protections-in-the-usa.pdf>
- 22 Farm Aid. (2020). *Op cit*.
- 23 Charlton, Diane. (2020). "50 % Unauthorized and 100% Essential: Farm Labour Supply during the COVID-19 pandemic". in *Economic Impacts of COVID-19 on Food and Agricultural Markets*. Council for Agriculture Science and Technology (CAST) commentary. <https://www.cast-science.org/wp-content/uploads/2020/06/QTA2020-3-COVID-Impacts.pdf>
- 24 News item. (2020). "Every single worker has coronavirus at this US farm". *Livemint*. 30 May. <https://www.livemint.com/news/world/every-single-worker-has-coronavirus-at-this-us-farm-11590835083497.html>
- 25 Santa Cruz, Norissa. (2020). "Deemed essential, US farmworkers face wage reductions, zero protections from COVID-19". International Committee of the Fourth International. <https://www.wsws.org/en/articles/2020/05/08/farm-m08.html>
- 26 Jonas, Tobias and Awokoya, Ayo. (2019). "Are your tinned tomatoes picked up by slave labour?". *The Gaurdian*. 20 June. <https://www.theguardian.com/world/2019/jun/20/tomatoes-italy-mafia-migrant-labour-modern-slavery>
- 27 Corrado, Alessandra. (2018). *Is Italian Agriculture a 'Pull Factor' for Irregular Migration- And, If So, Why?. Open Society Foundation*
- 28 Sala, Daniela and Valle, Marco. (2017). "An employer? No, we have a master': the Sikhs secretly exploited in Italy". *The Gaurdian*. 22 December. <https://www.theguardian.com/global-development/2017/dec/22/sikhs-secretly-exploited-in-italy-migrant-workers>
- 29 United Nations General Assembly. (2019). *Visit to Italy: Report of the Special Rapporteur on contemporary forms of slavery, including its causes and consequences*. Forty second session of Human Rights Council. 9-27 September. <https://reliefweb.int/sites/reliefweb.int/files/resources/G1922655.pdf>
- 30 Salvia, Lucilla. (2020). "The restructuring of Italian agriculture and its impact upon capital-labour relations: Labour contracting and exploitation in the fresh fruit and vegetable supply chain of the Lazio Region, Central Italy" *Journal of Agrarian Change*. vol 20. no 1. <https://onlinelibrary.wiley.com/doi/full/10.1111/joac.12340>
- 31 Salvia, Lucilla. (2018). "Subcontracting and forced labour in Italy: a tale of depoliticised labour relations". *Open Democracy*. 23 April. <https://www.opendemocracy.net/en/beyond-trafficking-and-slavery/labour-subcontracting-and-forced-labour-in-italy-tale-of-depoliticised-/>
- 32 Matthews, Alan. (2013). *Family Farming and the role of policy in the EU*. Blog post. <http://capreform.eu/family-farming-and-the-role-of-policy-in-the-eu/>. Note the discussion on defining family farms, which is based not just on size, but also proportion of family labour use.
- 33 Bauwens, Daan. (2017). "Shame is Keeping us Here, Say African Migrants in Italy". *The Wire*. 14 December. <https://thewire.in/external-affairs/migrants-in-italy-shame-is-keeping-us-here>
- 34 News item. (2018). "Migrants in Italy suffer from growing wave of racism". *Daily Sabah*. 11 August. <https://www.dailysabah.com/europe/2018/08/11/migrants-in-italy-suffer-from-growing-wave-of-racism>
- 35 Corrado, Alessandra. (2018). *Op. Cit*.
- 36 Pietromarchi, Virginia. (2020). "Thousands of undocumented migrants to get Italian work permits". *Aljazeera*. 13 May. <https://www.aljazeera.com/news/2020/05/thousands-undocumented-migrants-italian-work-permits-200513181704599.html>
- 37 Popolo, Potere al (2020). "From fields to supermarkets, solidarity with soldiers on strike". *Peoples Dispatch*. 19 May. <https://peoplesdispatch.org/2020/05/19/from-fields-to-supermarkets-solidarity-with-laborers-on-strike/>
- 38 Nahata, Pallavi. (2020). "Rural wage growth saw a post-lockdown spurt but data doubts persist". *Bloomberg Quint*. 6 October. <https://www.bloombergquint.com/bq-blue-exclusive/rural-wage-growth-saw-a-post-lockdown-spurt-but-data-doubts-persist>



## **FOCUS ON THE GLOBAL SOUTH**

### **FOCUS ON THE GLOBAL SOUTH**

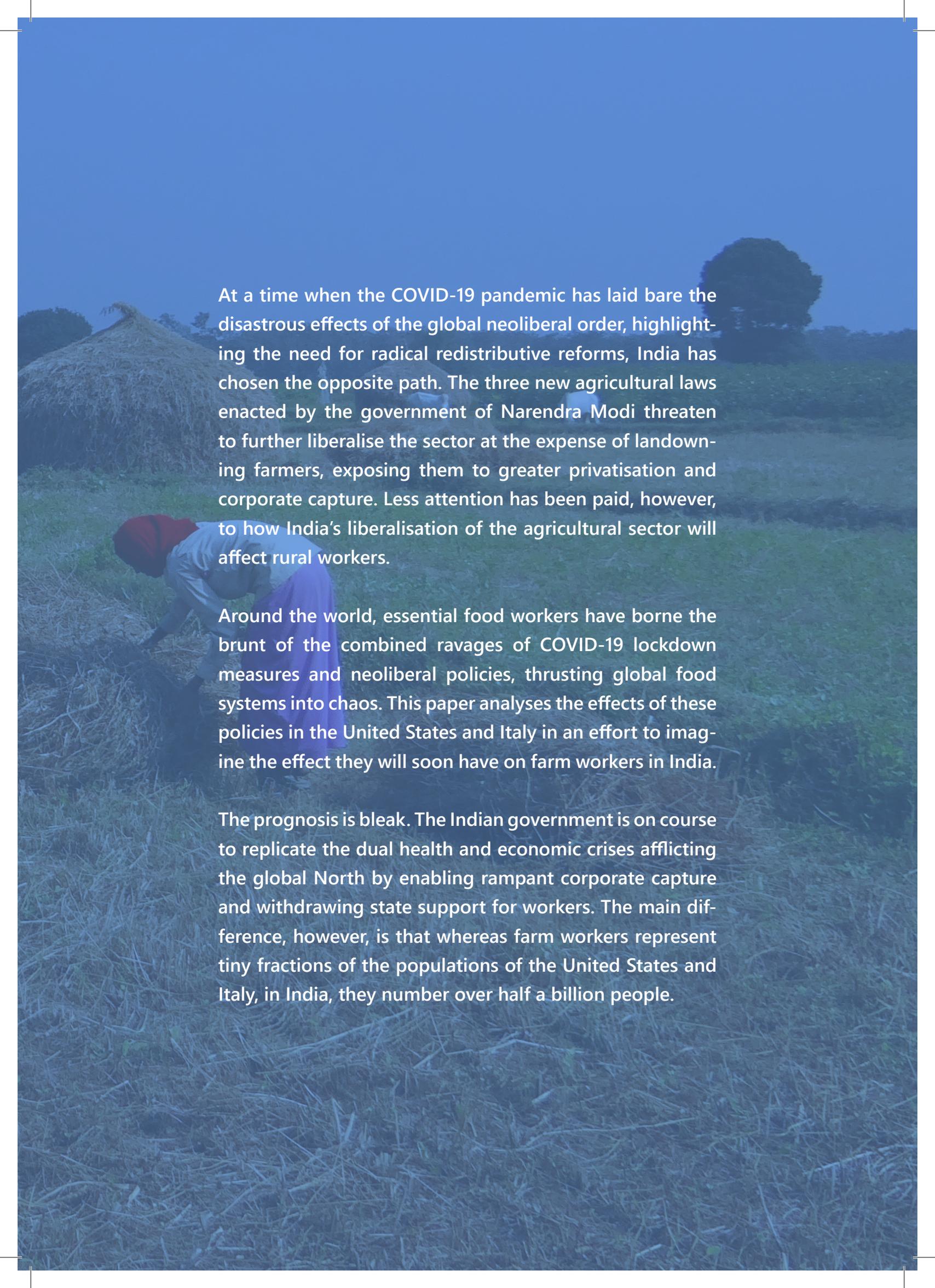
Focus on the Global South is an Asia-based regional think tank that conducts research and policy analysis on the political economy of trade and development, democracy and people's alternatives. It works in national, regional and international coalitions with peoples' movements and civil society organisations and has offices in New Delhi, Manila, Phnom Penh and Bangkok.



**ROSA  
LUXEMBURG  
STIFTUNG**  
SOUTH ASIA

### **ROSA LUXEMBURG STIFTUNG (RLS)**

The Rosa Luxemburg Stiftung (RLS) is a Germany-based foundation working in South Asia as in other parts of the world on the subjects of critical social analysis and civic education. It promotes a sovereign, socialist, secular and democratic social order, and aims to present alternative approaches to society and decision-makers. Research organisations, groups for self-emancipation and social activists are supported in their initiatives to develop models which have the potential to deliver greater social and economic justice.



At a time when the COVID-19 pandemic has laid bare the disastrous effects of the global neoliberal order, highlighting the need for radical redistributive reforms, India has chosen the opposite path. The three new agricultural laws enacted by the government of Narendra Modi threaten to further liberalise the sector at the expense of landowning farmers, exposing them to greater privatisation and corporate capture. Less attention has been paid, however, to how India's liberalisation of the agricultural sector will affect rural workers.

Around the world, essential food workers have borne the brunt of the combined ravages of COVID-19 lockdown measures and neoliberal policies, thrusting global food systems into chaos. This paper analyses the effects of these policies in the United States and Italy in an effort to imagine the effect they will soon have on farm workers in India.

The prognosis is bleak. The Indian government is on course to replicate the dual health and economic crises afflicting the global North by enabling rampant corporate capture and withdrawing state support for workers. The main difference, however, is that whereas farm workers represent tiny fractions of the populations of the United States and Italy, in India, they number over half a billion people.