15. INTRODUCTION OF GLOBALIZATION

(A) Concept of Globalization

*World Investment Report* defines globalisation as internationalisation of trade and investment. According to some experts, globalization is integration of nation’s economic system to the international market forces. Some others describe globalization as a strategy of the imperialist forces to loot the third world countries. Many people feel that the concepts of globalization are too simplistic. In fact, globalisation is the mobility of finance capital across the world, particularly of the poor countries. The unprecedented technological progress has enabled the easy flow of finance capital at the fastest speed, to any country. To put any obstacles or conditions to the flow of global finance capital has become next to impossible and further every nation is being forced to implement liberalized economic and financial policies as demanded by imperialist forces. In other words, their demand is that there should not be any resistance or hindrance to their hunt for unbridled profits.

In the process of globalization, investments, natural resources, production requisites and trade shall move into the absolute control of international market/imperialist forces. The plan of the imperialists is to get absolute control over the third world countries through finance capital, science and technology; trade and business; and wars.

(B) Impact of globalisation and New Agricultural Policy of the Left Front Government:

From the mid sixties the ruling classes in India under pressure from the World Bank and other international agencies like Ford Foundation and Rockefeller Foundation opted for seed fertilizer technology the agricultural development in the well endowed regions having a higher percentage of irrigated areas and other infrastructure facilities like Punjab and Haryana.

Secondly, to create a big market for multinationals and agri-business is also to facilitate their steady entrance into the country’s economy.

Thirdly, this way of developing capitalism in agriculture was motivated by integrating it with the world capitalist system.
With the same aim as stated above it has reorganized the credit structure and nationalized scheduled commercial banks and expanded credit cooperatives, marketing federations, etc. This imperialist dictated and presided agrarian policy in the name of modernization through using machines, HYV seeds, chemical fertilizers, pesticides, etc, keeping the unequal land relations, have, after some years of production growth, developed not only extreme inequality, and regressive features prominently come up like huge burdens of foreign ‘loan’ diminishing productivity of land, destruction of nature and most of all increased dependence on imperialist countries and institutions.

In continuation on the above, in 2001 an American consultancy firm the McKinsey had submitted a report to the West Bengal Government, which basically discussed three main topics: viz, (i) the non-government initiative in agriculture, (ii) contract based cultivation between peasants and MNCs (multi-national companies) and (iii) creation of variety in agrarian produce. In this report West Bengal has been divided into four regions for great change in the agrarian sector. It has been advised that production of paddy should be increased in the districts of Bardhaman, Birbhum, Medinipur and Bankura from the aggregate total from 2.65 tonnes to 3.61 tonnes per hectare resulting in an expected increase of 33.50 percent. Most important is that in the State 55 percent paddy should be grown in those four districts. Secondly, McKinsey has advised the ‘Left Front Government’ to convert the districts like 24-Parganas (North), Hoogly, Nadia, Murshidabad and Malda into a different agrarian region. Here, it has advised, 25 percent of agricultural land has to be earmarked for commercial crops instead of the existing paddy cultivation. In North Bengal, in the districts of Darjeeling, Jalpaiguri and Dinajpur at least 15 percent paddy land should be changed for the cultivation of pineapple, spices, vegetables and oil seeds. Mckinsey, however, advised continuation of cultivation as before in 24 Parganas(South), Purulia, Coochbehar and some other districts.

The global consultant Mckinsey is the policy maker for the ‘Left front’-led Government in West Bengal. It observed in its report that fragmentation of land was a major impediment to foreign investment in agriculture. Obviously contract with so many peasants was found to be a problem. The ‘Left Front’ state secretariat in a meeting in July 2003 decided to introduce a Bill immediately to allow overturning the Front’s earlier land
reform policy. The Bill will allow merging of separate pieces of land into a single plot. If
the Bill is enacted, widows of present patta holders will not be allowed to sell the land to
their relatives. Instead, such land will be taken over by the government for consolidation."(Ref: The Times of India, June 28, 2003).

McKinsey considers as is expected from such multinational concerns, that a new
system will emerge through the integration of land and labour of the peasants and multi-
national capital and technical knowledge. The Mckinessy ‘advice’, however, emphasises,
lest one should think otherwise, that there shall be no land transfer, nor shall peasants
lose their rights. In addition to all these, McKinsey’s sermon states that a super-modern
trading system will emerge in ‘cooperation with 11 multi-national companies”. Many
trading centers will come up in the state. Rice will be exported to Africa and
Bangladesh; jam jelly and fruit juice to Europe and America. Thus, through McKinsey’s
advice from production to distribution, the Multinational National Companies (MNCs)
will spread their tentacles throughout the state, by carrying to the state the structural
adjustment policy of the central government under the liberalization process.

The McKinsey Report has been in the midst of a controversy and criticism, even
by some parties in the "Left Front". The McKinsey proposed vast changes through
compelling the West Bengal peasants to be direct subjects of the MNCs (multi-national
companies).

Mr.Nirupam Sen, Hon’ble Minister of Industry, West Bengal in recent interview
told : "Complaints are raised against us that we are moving through double-dealing. It is
voiced that we are opposing globalization, while certain decisions that we have taken in
the realm of running the state go to strengthen the basis of globalization…".1

We know well to the implications of harmful recourse to World Bank, Ford and
Rockefeller induced prescription of Green Revolution through HYV seeds, technology,
and other measures in India. In West Bengal itself the rate of increase in production in
agriculture has significantly come down in the 1990s compared to that of the 1980s. In
the 1980s foodgrain production increased at the rate of 6.9 per cent in West Bengal. In
the 1990s its yearly increase was recorded at 2.5 per cent. In the later half of the 1990s
the situation further worsened. Between 1995-96 and 1999-2000 the annual rate of
increase in food crops in West Bengal had come down to 2.3 per cent. The annual rate of increase in the production of paddy in this period was a yearly 2.4 per cent².

What led to such fall in agricultural production that registered some increase in the 1980s? In this period, there was a steady rise in the consumption of pesticides, in the use of shallow tube wells, chemical fertilizers, etc. The answers lies among some other factors in the very agricultural operation in the line of so-called Green Revolution, destroying the fertility of land, developing resistance in insects, killing of beneficial insects etc.

_SSecondly_, the continuous price rise of those essentials for cultivation in that way of "Green-Revolution" with no corresponding rise in agricultural produce forced the peasants to continue with old pesticides requiring change after some reasonable period. The water level was increasingly lowered and agricultural implements became costlier making it impossible for peasants to increase production. There has been a remarkable fall in the foodgrains production in the 90’s in the state as compared to the 80’s. the food grains production which had increased up to 6 per cent in 80’s fell down to 2.5 per in 90’s. In 1999-200 foodgrains production further declined to 2.3 per cent. During the year 1990-97 the cost of irrigation has increased by 174.77 per cent, the increase in the cost of fertilizer has been by 78.36 per cent and that of insecticides by 78.1 per cent. Another factor responsible for this decline in foodgrains production in 90’s is the stagnation of land reform programme by the Left Front Government.

According to one study published in 1995, the significant growth in the production of paddy in the 1980s is accountable to _Boro_ cultivation (40 per cent of the cause) and high degree of the use of High-yielding variety seeds (35 per cent of the cause for increase). In both cases it was required to provide huge quantity of water and this problem was resolved by way of thousands of shallows run by 5 horse-power motor and deep tube wells, and submersible pump. This has led to continuous lowering of the water level and in its wake the _high incidence of arsenic related disease_ in many parts of rural West Bengal.

It is noteworthy that before the assumption of power by the ‘Left Front Government’ in West Bengal in 1977 the use of fertilizer per acre was below the all-India level. But by 1980-81 under the ‘Left’ rule this rate outstripped the all-India level by
using 10 per cent more fertilizer per acre land. In that year the Indian average was 14.23 kg per acre while in West Bengal it was 15.65 kg per acre. And by 1995-96 while the all India average in this regard was 33.86 kg. per acre, in the ‘Left" ruled West Bengal it was as much as 45.95 kg i.e. 35 per cent more than the all-India level. By 2000-2001, the over-all use of the fertilizer got reduced in India but still West Bengal recorded 31 per cent more than all-India level. In India it was 42.67 kg but in West Bengal 55.87 kg. (Ref : Ajit Narayan Basu, Paschimbanger Arthaniti Rajniti, Ibid. p. 129).

In the same way, the use of HYV seeds provides a similar picture. In 1980-81 in 30.2 per cent of the cultivable land in India the HYV seeds were used but in West Bengal its ratio was 33.6 per cent. In 1995-96 such seed were put under 54.1 per cent land area in India but in "Left" West Bengal it soared to 74.6 per cent of the cultivable area. But in 2000-01 the area under HYV seeds use was reduced in West Bengal.³

Ajit Narayan Bose shows from various Govt. published sources that between 1980-81 and 2000-01 the area for the cultivation of pulse and other cereals (the poor people eat them for the low price) has reduced by 48 per cent and 52 per cent. On the other hand excessive increase (more than 4 times) has been recorded by the cultivation of boro paddy in West Bengal. [Ibid. p. 130] West Bengal’s pride in the increased production in paddy is actually based on the increased production of boro. This apparent increase in production through cultivation of boro is disastrous for the future for its excessive consumption of water (48 inch per acre for boro cultivation, 12 inch per acre for wheat and 10 inch per acre for oil seeds). This clearly proves the disastrous path taken up by the "Left Front” government in the interest of profits of the MNCs and the native rich.

To understand the Left Front agricultural policy one should go back to the liberalization policy of the Central government. By the end of the last millennium when the then Agricultural Minister Nitish Kumar stressed that the new agrarian policy was to fulfill the "accountability" to the World Trade Organization. In 1997 Mr. Jyoti Basu, the then Chief Minister in West Bengal declared that the possibility opened by the free economy should be thoroughly taken advantage of.⁴ As part and parcel of the new economic policy and so-called globalization process the "Left" in West Bengal jumped into the bandwagon of the liberalisation policy and more or less accepted the
recommendations of Mckinsey. Bengal had experienced the ravages caused by contract-based cultivation of indigo and the massive protest movements under British rule.

According to the CPI(M) led provincial peasant committee in West Bengal smallholdings predominate, constituting 71% of the land. This journal of the West Bengal Krisak Sabha categorically dismissed the possibility of co-operative based cultivation. (p.8) The Mckinsey report too stated that as a result of increased wages the owners, multi-nationals tend to shift from the policy of large-sized farming to contract based cultivation.

In the words of Mckinsey "With the increase of Labour costs, these companies are moving away from managing captive forms to models like contract farming, where they work closely with contract farmers." In this system the multinationals need not pump in money for the wages as the small peasants will themselves do the cultivation. The MNCs will thus be assured of their marketable commodities. Secondly, under this system the MNCs will reserve the right to revoke the contracts. It is clear that extracting the super profits within the shortest period, with the diminishing productivity of the land; the MNCs will terminate the contracts leaving the land in a barren state.

Mckinsey even recommended the names of eleven MNCs to develop the ultra modern agri-business centers with their branches throughout the state. The West Bengal Government is not unaware of the state of affairs after 30 years of rule. The CPI(M) State Conference in February 2002 prescribed in clichéd capitalist productive force theory to tackle emerging problems. It stated bluntly that, ".... It is also essential to adopt modern technology for bringing about change in the crop pattern towards production of cash crops and increase in agricultural production. It is not also possible to tackle the situation unless the poor and marginal farmers have their access over irrigation, fertilizers, improved seeds and agricultural implements etc…". We have already referred to the soaring prices of seeds, water and other implements of production. One can also imagine the imminent loss of fertility of the land following the Mckinsey recommended and Left Front accepted new agricultural policy. The Lef Front Govt. are determined to toe the liberalization policy, even though various states like Andhra Pradesh, Maharashtra, Madhya Pradesh, Rajasthan etc. have been experiencing the devastating impact of this policy, compelling many peasants to commit suicide. Only in
Karnataka, between 1996 and 2000, 10,959 peasants have ended their lives. According to one study the cause of such deaths is that "The village as an institution has crumbled under the pressure of commercialization." (Economic and Political Weekly, 29.6.2002, cited in Shankar Ghosh, Rajya Sarkarer Naya Krishiniti: Sarbanasher Nil Naksha, in Paschimnbangar Krishiniti, Ibid. p. 90). Already a number of potato cultivators in West Bengal have been pushed to the brink of committing suicide and some have even committed suicide (Reference : Ananda Bazar Patrika, 20.7.2006).

The Mckinsey Report is actually the policy framework in tune with the liberalization policy of the central government dictated by the World Trade Organisation, World Bank and the MNCs. The Report of the working council of the CPI(M) projects the new agricultural policy as an alternative policy. It claims that the main slogan of this alternative policy is "development of agriculture and the processing and commercialization of agricultural commodities." 7

The consultancy firm Mckinsey has in fact suggested that 41 per cent of arable land (65 lakh acres) should be used for diversification from paddy to vegetables and fruits like potato, pineapple, lichi and mango.

This commercialization process has now been accepted as a part of the international market. In the last budget the ‘Leftist’ Finance minister of West Bengal proudly stated (para 4.7) the need for increased irrigation facility, improved seeds and fertilizer. The irrigation is actually based on ground-water extraction i.e. extracting water from the earth. This rampant extracting of water resources and use of HYV seeds, fertiliser, insecticides, etc. for commercialization of agriculture in a state of diminishing productivity, will have a fatal impact on agriculture in West Bengal. Already land alienation and the rise of a neo-rich class poses a real threat to the poor peasants.

The continuous increase in the number of landless wage labourers forces them to work below the wage fixed by the government, keeping those peasants under the vice like grip of the usurers and other rich sections. The aforesaid Working Council Report of the West Bengal Peasant Front of the CPI(M) itself admitted "...The net of loan giving usurers is spreading. A new well off section has come into being in the rural areas. As a supplier of capital and other necessary implements, they are imposing new burdens on the already burdened peasantry..." 8.
The Left Front Government are engaged in selling the dangerous policy that commercialization of agricultural will ensure a fair price for agricultural produce in the international market and that West Bengal agriculture will progress by leaps and bounds. The world has witnessed enough of the devastating policy of the commercialization of agriculture, introducing the process of the MNCs looting the peasants. The experiences of Mexico, Honduras, Argentina and many third World countries provide glaring examples of such a destructive role of the MNCs in the agrarian field and the consequent ruination of the peasantry.

There are several implications of the new agricultural policy. In West Bengal the land used for producing rice, wheat, etc. is declining. This has serious consequences as regards the supply of the main food crops. The increasing polarisation between the increasing number of wage labours and the landless on the one hand and the landowning sections on the other makes it burdensome for the poorer section to provide for HYV, fertilisers, etc. The commercialization of agriculture under ‘Left Front’ rule will further the alienation of land from the hands of the poor and marginal peasants. The contract-based cultivation spells doom for the peasantry in West Bengal. Under the new system peasants will have to switch over to export-oriented crops instead of fundamentally producing paddy, wheat, pulse, etc. indispensable for the consumption of the native people. And, in case of ‘crops’ failure, the peasants have to bear the expenses and it will be near impossible for them to revert to the cultivation of earlier food crops so easily. As export takes precedence in the new agricultural policy of the LF government one can expect deficit in staples like paddy in the near future with the increasing infertility of land, further lowening of the water table pushing the landless, poor and marginal peasants to the brink of disaster.

The euphoria of ‘Green Revolution’ in Punjab, Haryana and other areas has already run out of steam, but the ‘Left Front’ has faithfully practised the policy of ‘Green Revolution’.

To conclude this section, we can cite what the Green Revolution Father, M.S. Swaminathan advised to Left Front Government. The Telegraph correspondent writes, M.S. Swaminathan, Advisor to the LF Government in framing the new agricultural policy, said the rural infrastructure of Bengal needed an urgent revamp. He said the potential
has to be translated into production to suit the market. Further he stated, "What Bengal lacks is investment, but, the role of private investors is to help the farmers and any kind of contract cultivation should be mutually beneficial and not exploitative. There is no question of a farmer losing his land to private companies. So, we should look for partnerships that will help farmers"\textsuperscript{10}.

The \textit{National Planning Commission} presents a grim picture of West Bengal in the near future. "West Bengal witnessed a spurt of growth in food grains production in the 1980s (nearly 5.15 percent growth annually, well above the then national growth rate of 3.5 per cent), but in the 1990s, rice production lapsed into stagnation, the growth rate dropped to nearly half of the rate that prevailed over the previous decade and a shortfall of nearly 3 million tones of foodgrains is projected by 2007. To feed the 87.6 million people of the state, the requirement is well above 17.5 million tones of goodgrains, but at the current growth rate the production can only reach 14.5 million tones by 2007".

\textbf{References :}

3. Ibid. p. 129
6. Left Front Government our Tasks, Resolution adopted by the West Bengal state conference of the CPI(M) February 2002, point 11, p. 80, In the Marxist, April-June 2002
8. Ibid. p. 23
10. The Telegraph 7 May, 2003

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