

# Revitalizing the Peasant Economy in Asia

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The whole effort in this document is to depict how we are able to rebuild the peasant economy as the answer to the crisis of neo-liberal capitalist economy. This is particularly in relation to Sri Lanka and the South Asian Region.

The majority of our people live in the rural areas of this continent. They are actually the food-producers for this whole region. The majority of them are small-holder farmers. This characteristic - small holder farmer - is true for not only Asia but also for Africa and Latin-America.

In Sri Lanka, food produced in the peasant sector is mainly for the consumption within the country. The export sector was mainly restricted to the Plantation economy - Tea, Rubber, Coconut, Spices, and now the Garment industry. Large land holdings were restricted into this area.

As the small-holder farmers were marginalized into the rural areas, they were able to maintain a subsistent economy. They produced food beyond the capacity of the small holdings. Due to the excess of paddy and cereals which were not needed for their personal consumption, they are able to supply to the city and get linked-up in the food - chain as producers. It is due to this subsistent economy and as the peasant-farmer communities were not very much attracted to the plantation economy which was mainly export oriented. From the Colonial times up until today there exist two types of the economy - one for export and the other for local consumption.

Historically, the Asian Societies were perpetuating a mixed economy - mainly crop farming and livestock rearing. What we inherited today was an integrated agriculture. The Indo-Aryans brought in large cattle rearing which was absorbed into the peasant agriculture. Two cultural backgrounds that inter mingled - rice and pastoralist cultures. Even British Colonialism could not penetrate seriously the peasant economy in Southern Asia. The peasant economy survived side by side with the export economy.

## Modes of Production

The capitalist mode of production penetrates society by making available the individual ownership of all natural resources. In the peasant economy the main resource or the major means of production is the land and its soil. These small-holdings were worked on a communitarian basis. To bring these under individual ownership for commercial purposes to gain personal profits, is completely contrary to a mode of production in the peasant economy which is totally communitarian. Agriculture is

communal (communitarian) in character. The individual ownership breaks down all relationships of a communal society (i.e. a commune). This disintegration of the communal peasant society has already happened. The Green Revolution has shattered the basic foundation of crop farming and livestock farming. The farmer communities were totally dependent on external chemical inputs and technology to enrich their soil. In Asia, the livestock - especially the cattle were totally removed from agriculture. Various forms of energy generational activities - the ploughing, transport were given over to machines and tractors. Cow dung and Cow urine which is the sole mainstay of micro-organisms were to be replaced by chemical fertilizer.

By this total transformation in the communitarian culture of food production, the Green Revolution has destroyed Agriculture and Nature. But the Peasant Economy has no other alternative. The Green Revolution technology has not been able to save it. Nearly 1.5 billion of small-holder farmers in 680 million farm lands are left in the lurch. A concerted effort and campaign is seen today in the land reform cry to get back the land, to enrich the earth, to heal the earth. It is to rebuild the perennial rural Agri-Culture, the trust, mutual help, and cooperation that had been shattered by the profit-making individualistic mode of production.

## **Rise of Capitalism**

The Industrial Revolution in Britain brought about the strongest accumulation of Capital and laid the sound foundation for the capitalist mode of production. The rural sector in England was destroyed by throwing the peasantry out of their lands and by enclosing all the farming communities together. It was definitely on the primitive accumulation of capital from the rural sector that capitalism was able to initiate its new mode of production.

In this period of Globalization, the classic example of strong industrialization that took place is in Modern China. This was due to the strong accumulation of capital in the rural sector. Therefore China's capital base is as strong as any other strong industrialized country. All the rural resources of the country have been absorbed into the process of industrialization in China. That is the strength of the Chinese Industrial base in this period of Globalization.

"Between 1950 - 1960, primitive capital accumulation needed for industrialization was accomplished. Through 'collective ownership', the Chinese Government was able to collect the surplus from agriculture, the huge gains flowed to State revenue through taxes and profits. From 1952 to 1978 as high as some RMB 485.2 trillion flowed from agriculture to industry. 73.2% of the value of fixed assets in the industrial State Owned Enterprises (SOEs) during those years had come from agriculture (Prof. Wen Tiejun - Renmin University, Beijing)". But China is now faced with crisis in this dualistic economy. Both the government and the collectives have not been able to face the crisis of this small-holder farming country where the rural population is between 700 - 900 million. Now they have to think seriously about how the rural regeneration could be achieved to relieve the indebted rural China.

Neo-liberal capitalist economy has laid the foundation for the destruction of the peasant economy:

- It removed the State from the economic activities which destroyed the total peasant agriculture.
- It made the rural sector market for its industrial products and exchanged the rural products at a very low price.
- The Banking, Insurance, and financial institutions and all technology made the rural population indebted.

- The high financialization as capital investments has impoverished the rural sector. The inability of rural sector to repay any loans.
- The individualistic entrepreneurship is not sustainable in a communitarian environment which of course, is disintegrating.

In conclusion, the capitalist logic does not work in a small-holder peasant economy.

### **How is the Rural Regeneration possible!?**

It is in an environment of political power shared by the small-holder producers. All the existing political strategies are to wield political power in the state. The Westminster Parliamentary System has degenerated to such extent, that no peoples' organization has any power at the base.

Therefore, the Gram Raj is a very suitable concept that can be utilized to include all the aspirations of the small-holder-producers and the landless people. It is in rural producers to manage their own affairs, to be in control of their lands, water conservation and the seas, to select the seeds and plants and their livestock. They will have to revive all their cultural traditions and the total conscientization of their communities.

Via Campesina - the world movement of the small-holder peasant-farmers has declared the slogan and the strategy of "Food Sovereignty" to express this same concept of self-autonomy of farmers to choose their own agriculture, their seeds, their mutual aid, and cooperation at the level of the village. They also developed the concept of the defense of the territory. This is very important today in the context of the Adivasis, various national communities who really need the right of self-autonomy in their base territory.

Via Campesina brought into the focus the whole concept of the Peasant Economy after Food Sovereignty. So it was very easy for the whole international movement of small-holder peasant and family farmers to fight for their right of self-autonomy in all the continents. It has been specifically emphasized that the "ownership of land" should be in the hands of the small-holder producer. It was the dream of Karl Marx already in 1848 that the future society could be built in the model of "the associated producers" where the development of each person will be a pre-condition for the development of the whole.

### **13<sup>th</sup> Amendment and the Peasant Economy**

The 13<sup>th</sup> Amendment to the constitution of the Socialist Democratic Republic of Sri Lanka is about the devolution of power or governance to its provinces. This piece of legislation was enacted as a solution to the North-East rebellion of the Tamil community. The two very important items in the constitutional reform are - Land and Security.

After 30 years of civil war, the ruling party government with the support of Ultra Nationalists is attempting to come to a settlement as 02 Provincial Councils in North and East under a Unitary state without the powers over land & security.

The present government will never be able to convince the Tamil community on their solution. The Sinhala State will never tolerate the governance of Land & Security in the North and East.

This clearly shows how the state power is trying to impose their unacceptable solutions to an awful

crisis in the country. The Tamil Question can never be understood if their lands and their areas are not genuinely recognized and a certain provincial governance is permitted to these national communities.

Majority of our people in Sri Lanka are small-land-holding communities;

- 45% - below  $\frac{1}{4}$  acre
- 67% - below 01 acre
- 92% - below 02 acres

Apart from these small land holdings, the landless population is also fast increasing. The rest of the lands - forests + plantations are directly under the State.

Already, health, education and services are under the state. If lands and security are to be controlled by the Central Government there is no real devolution of governance in the provincial areas.

What people in whole of Sri Lanka needs is freedom - democracy - self rule. If people according to their productions are able to govern themselves, make decisions about their food production and have control over their basic necessities, then only the real meaning of demos + kratos (Greek) - democracy - rule of the people - will be meaningful to them.

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