

INTRODUCTION

Literally, the word '*corporate*' means an entity which is legally united into one body or more commonly large business groups. The term corporation means, "An entity that has a legal personality, i.e. it is capable of enjoying and being subject to legal rights and duties and possess the capacity of succession"¹ or a "body of persons (in case of a corporation sole) which is recognised by the law as having a personality which is distinct from the separate personalities of its' members."² Corporatisation refers to the formation of State Corporation or Private Corporations. Agriculture is one of the most important sectors of our economy not only because; this sector is the supplier of our basic needs viz. food, clothing and even shelter. In West Bengal, agriculture contributes 27% of GDP while industry shares only 22%.³ Here nearly 60% of the people are dependent on agriculture which is causing the backwardness of the state from the point of revenue generation in the state. While the states like Gujarat is graduating from the industrial estates to Special Economic Zones and to Special Investment Regions similar to the industrial belts in China and Japan, in West Bengal corporatisation has been a very difficult issue to address by the government.

However, Indian agriculture remains a key sector especially in rural India and has the potential for reducing poverty and hunger in the rural areas. Since agriculture is the mainstay of our economy, this provides a cushion. Although the primary agricultural activities, as a share of the total economy, are gradually declining with agriculture contributing only 17% of the GDP in 2007- 08⁴,

¹ Oxford Dictionary of Law, 5th Edition 2002; Oxford University Press, at pg. 125.

² Halsbury's Laws of England, 4th Edition, 2005, LexisNexis Butterworths, Vol.9 para.1201,

³ Dhruba (DJ) Chakraborty, "Silent Transition: Look East for better business": The Times of India: 27th February, 2009, at pg. 1.

⁴ The Times News Network: The Times of India: 31st May, 2008 at pg. 16.

agriculture continues to support nearly 50% of employment in rural areas and also shares 13% of the total Indian export.⁵ Yet in agriculture and allied products segment, India is among the world leaders. In Bengal, agriculture contributes 27% of GDP while industry shares only 22%.⁶ The state of West Bengal being characterised with the fragmented land holding on the one hand and ever increasing cost of agricultural production on the other, the State needs to industrialise for its economic turnaround.

Traditionally agriculture is considered as a life line of a country's economy both as a means livelihood and providing food security to the nation. After independence at one point of time India was not self sufficient on food and hence the import of food was a primary concern of the government. Now India has become self independent in agriculture has been able to achieve food security. But unfortunately, across the country, a total of 1.82 lakh farmers have committed suicide between 1997 and 2007, driven to despair by a lack of basic infrastructure like power, irrigation and access to markets and for their inability to pay back the loans. About 8 million farmers have quit farming between 1991 and 2001. Often the buyers set up special economic zones or industrial units on such land which get tax sops and subsidised land, power and water. Today, in India, including west Bengal, nearly 60% of the population is dependent on agriculture⁷. The agricultural sector in India, as well as Bengal suffers from the following defects-

- 1. Lack of remunerative prices for their produces:** The farmers due to their lesser bargaining power and the domination of the middlemen are not getting the remunerative prices for their produces.

⁵ Suresh Chandra Babu, 'More Supportive Policies', The Annual Survey of Indian Agriculture, 2004; New Delhi.

⁶ Dhruva (DJ) Chakraborty: Silent Transition: Look East for better business, The Times of India: 27th February, 2009, at pg. 1.

⁷ Ibid

2. **Non fixation of support price:** There is a huge risk in agriculture. If there is a high yield the farmers do not get proper price, likewise if the production is low, then again there is loss.
3. **High Cost of Production:** The cost of production is increasing while there is no significant increase in the price of the agricultural commodities. The highly perishable nature of the produce along with the lack of storage, grading, packaging, transportation and marketing infrastructures have further added their plight.
4. **Lack of microfinance:** The big farmers are able to get loans from banks, small and marginal farmers still depend on money lenders.
5. **Lack of interest of the educated youth in farming:** Educated youth of the farming families are becoming less interested in agriculture. The farmer parents also do not encourage their children in taking up agriculture as livelihood.

For decades the small and marginal farmers are suffering the arbitrary, ruthless market mechanism of agricultural commodities. At this, most of the agriculturists today consider farming as a matter of subsistence. The farmers are exploited by the hands of the land sharks, fertilizer lobby, insecticide lobby, hoarders and wholesalers, Panchayat and political leaders including agricultural officers, officials of Benfed, Nafed and other agricultural set ups. The malnourished, poverty stricken, emaciated farmers are forced to discard their traditional livelihood for comparatively secure urban destinations and are taking up marginal jobs like tailoring, masonry, painting, welding, soil digging, iron making, erecting mobile towers, wiring electric networks, driving, rickshaw pulling etc. The plight of women is dreadful. They receive a raw deal from the powerful state and private machineries with no one to guard them against unscrupulous traders. The labour pattern in the industrially

developed states like Punjab, Haryana, Delhi, (where agricultural productivity is good along with the industrial activities) show that there is loss of interests agricultural work and more and more people are taking up non-agricultural activities. So there is paucity of manpower and farmers are dependent on the migrant farm labourers from Bihar, Jharkhand and Uttar Pradesh. Even that supply of migrant labour is now reduced due to the Rural Employment Guarantee Scheme. Due to the above reasons the government is planning to bring down the number of people dependent on agriculture from 60% to 30% in next 20 years. To add to this is fact that in India agriculture is overwhelmingly dependent on the weather⁸.

To make agriculture a profitable sector corporatisation of agriculture including institutionalisation and commercialisation of the system, farmer's right to land, easy availability of seed, fertilizer, electricity, water, and opportunity for micro-financing are perhaps the best options available.

CORPORATISATION OF AGRICULTURE

Corporatisation of agriculture is a very recent phenomenon. It is a process of globalising agriculture. India is now considered as one of the top global destinations for the investment in agricultural sector. Agriculture is not just the food producing machine it is the main source of livelihoods of the nation and as such an instrument for eradication of poverty. So there is a huge pressure on Agricultural Sector and the experts are of the opinion that in order to lower the pressure on agriculture livelihood of people should be raised through an increment of per capita income. Create safety nets for the agriculturists for protection lesser return from agricultural commodities, lack of proper marketing, storage of commodities, unpredictable climatic conditions etc. In order to

⁸ Reported in The Hindu: 24th November; 2008 at pg. 14.

boost the economic of scale, small and medium farmers, home science and commerce graduates and scientists can group together forming agro-clinics and help the farmer in his business ventures. Secondary and tertiary sectors employment should be generated raise income.

FARMER'S RELATIONSHIP TO LAND

The transition from village to township and from agriculture to industry is the inevitable stages of development. If we study the flow of civilization the feudal system collapsed when industrialisation started in Europe. Developing countries like India and China, burdened with about one- third of the world's total population need rapid industrial development so that jobs are available to maximum number of people. The relationship between land and human being is as old as the cultivation. The nomadic people did not feel the need of taking land in his control. As man learnt agriculture, the need to be in control of land was felt. Even today the genesis of the structure of power and authority in rural India can be traced to land. Land provides the basic necessities like food, clothing and shelter. There is an ever changing relationship between land, power and people. The value of land is ever increasing and requires little renewal and replacement. Due to this basic utility, economists consider land as a special kind of property. Land reform has proved to be a major instrument of social transformation, especially in an economy based on feudal and semi feudal production relationships. India has all the potentials to become a modern industrial giant. India has a large number of eminent scientists, engineers and technicians; immense raw material reserves and a huge population that can serve as a market which can serve the purpose of industrialisation in the state. Corporatisation of land means the transferring of lands to the

corporate houses for the purpose of setting up of their projects. Presently, West Bengal too is passing through a transitional phase between feudal agricultural society and modern industrial society. Widespread unemployment has necessitated the government to generation employment which cannot be done without industrialisation. To set up industrial units land is necessary. The state of West Bengal has nearly 13.5 million acres of farmland. Following a special address to the national executive members of the Federation of the Indian Chambers of Commerce and Industry delivered by the West Bengal Chief Minister Mr. Buddhadeb Bhattacharjee, presently even if all the industrial investment proposals before the government are implemented, only one lakh acres of the 1cror 35 lakh acres of agricultural land in the state need to get converted for industrial use which is less than 1% of the land used for agricultural purposes.⁹ Out of this large tract of farm land about 84% are now owned by farmers. This has necessitated acquisition of land necessary for setting up big industry. Without acquisition of land by the state it is almost impossible to set up industry.

RIGHT TO SEED

A farmer possesses the inherent rights to till, rear and produce. Production includes the production of crops and plants as well. Use of seed is integral to agriculture. Traditionally the farmers had been producing or collecting seeds after the harvesting was over. A farmer is not merely a cultivator but also a conservator of all agricultural gene pool. They assert their right to seed through the Community Intellectual Rights (CIRs). With the growing concern regarding security against crop failure, diseases and pest attacks, ways to increase agricultural production and achieve food security was explored. Thus the concept of GM crops came in. However, with

⁹ Reported on The Hindu: 27th November, 2008 at pg.10.

the norms of UPOV; TRIPs and TRIMs under the WTO the framers' right over seed is facing tough challenge against the breeder's right backed by the corporate bodies. The concept of corporate activities in seed sector originates in the west. After the Plant Patent Act, 1930 in the USA the seed industry started flourishing. This line of approach has been adopted by other countries as the time elapsed. However, for farmers the right to seed is a positive right and not a negative one. It is a fundamental right, not a concession.¹⁰

THE HYPOTHESIS

With the above circumstances as the background the hypothesis of this work is that a great number of investment options have opened before the State of West Bengal. To accommodate such offers of investment the land reforms policy of this State faces challenges of land acquisition where the right of the farmer to land is taking a back seat. Yet equal attention must be given to the food sector. The State is required to balance the two conflicting interests of sufficiency of food through optimising the agricultural sector and development through encouraging investment from the corporate sector. The right of the farmers to produce and use traditional seeds is under challenge. Breeders working under the umbrella of MNCs are constantly modifying the world's germplasms in their laboratories and there is mounting pressure on the farmers to use such seeds which are highly sensitive as well as expensive than the traditional one. Thus agriculture in India generally and that in West Bengal in particular faces grave challenges.

THE METHODOLOGY

The present research has been both traditionally theoretical and also empirical. Documents and materials relating to legislative initiatives by the Governments at the Union and the State of West Bengal, census reports, governmental documents, articles, press

¹⁰ Vandana Shiva, Agricultural Biodiversity, Intellectual Property Rights and Farmer's rights, Economic and Political Weekly, June 22, 1996, pg 1622.

reports, books, journals, and the various reports of the Committees and Commissions were studied to understand the situation. Data were collected from the Ministry of agriculture both at the State and Central Governments. Statistics were collected from the UNDP projects and other agencies.

Along with this, empirically, information were gathered from the villagers, Panchayat members, and officials of district administration, Scientists and Agricultural Universities.

Field survey was conducted on the basis of the structured questionnaires in the district of Hoogly, East Midnapore, South 24 Parganas, Burdwan, Uttar Dinajpur, Dakshin Dinajpur, Jalpaiguri and Coochbehar. In the district of Hoogly and East Midnapore, South 24 Parganas, Burdwan the impact of corporatisation was looked into and in the districts of Uttar Dinajpur, Dakshin Dinajpur, Jalpaiguri and Coochbehar the traditional system was studied.

THE CHAPTERS

This thesis is divided into seven chapters. The 1st chapter deals with Corporatisation of agriculture: Concept, growth, and perspective in which the concept of agriculture as is understood within the legal framework is discussed and also reference made to its future in the backdrop of corporatisation under the post WTO regime. Chapter 2 is the brief overview of the farmer's rights within the Indian legal framework deals with Rights of the Farmers. Chapter 3 is the Legal framework relating to land: A brief overview which deals with a very important aspect of land i.e. land reform and acquisition of land. The relationship between Acquisition and corporatisation of land and it's impact on Farmer's Right to land is examined under Chapter 4. Acquisition and corporatisation of land gives rise to the issue of displacement, resettlement, and rehabilitation. These matters are dealt with under chapter 5 and deals with Policy relating to these issues of resettlement and rehabilitation and it's impact on Farmer's Right to land; 6th Chapter deals with Impact of corporatisation of

seeds and its impact on farmer's right to seed. Seed is an integral part of agriculture. In Conclusions and suggestions the overall understanding of the issues relating to agriculture and corporatisation is laid down.

As such, the problem is how to balance the rights of the farmers on land which they initially established with due priority and the setting up the new industries. The state is now facing twin questions, on the one hand, if the state doesn't allow the land demands made by these concerns they obviously will quit and the state will lose investment, revenue, employment opportunities of its citizens and others and on the another front if the state acquires land then, it will cause the shrinking of agricultural lands, marginalisation and unemployment of farmers, increase in unskilled labour and shortage of food production in the State. In such cases the persons having lands will however be able to manage their lives but what will be the case of the landless labourers of who mostly are illiterate and unskilled or no skill without cultivation. The question is whether a counter land reform is called for.

The WTO Agreement on Agriculture requires removal of subsidy on agriculture. Under Indian conditions this poses severe problems to the small farmers. As such, farmers' movements are taking place from 1992. An example is the 'Bija Satyagraha'- a non cooperation movement. The Patent Ordinance and recent policies on agriculture has led the suicide of as many as 16000 farmers in the year 2004¹¹. The changing dimensions of the rights of farmers and its conflict with the interests of the corporate houses in the age globalisation as compared to the earlier under the Indian legal framework is the focus of study under this section.

¹¹ *Ibid*