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"Sovereign Nationalism against Imperialism"

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EDITORIAL

Sovereign Nationalism against Imperialism

In this issue, three important contributions explore the changing face of imperialist aggression on Third World countries and the ways in which states, along the spectrum both of reaction and progressive politics respond to the localized effects of monopoly capitalism. Examining economic sanctions and their implications on Zimbabwe's agriculture sector, Mazwi and Chambati recall the trajectory of radicalization that led to the country's historical land reforms, which apart from altering the agrarian structure, also challenged the prevailing wisdom that land reforms could only occur under market-assisted conditions. The fallout from the Fast-Track Land Reform Programme included severe sanctions, whose enduring manifestations in capital flight, the shortage of foreign currency, and termination or extinction of international support programmes have devastated ordinary livelihoods. Recent overtures by the current regime cornered into reneging on the gains from land reform raise the pertinent question regarding what the future of Zimbabwe looks like given the persistence of Zimbabwe's international isolation, and whether Zimbabwe is likely to capitulate to hegemonic forces in the name of re-engagement.

Thakur's empirically detailed piece delves into the role of India's public procurement on the average price received by farmers at the state level, the extent to which state level average prices as realized by farmers differ, and how public procurement influences such price realization. He highlights the importance of state intervention by showing the availability of government procurement as being one of the most important factors affecting farmers selling paddy in the regulated market. His conclusion is that states with higher percentage of government procurement to production also show higher percentage of farmers selling in the regulated markets, thus guaranteeing to farmers higher average prices for produce.

Lastly, in a razor sharp analysis of the current conjuncture in Brazil through a lens critical of monopoly capital, Gissoni takes us through the reconfigurations that have been taking place in Latin America, and Brazil specifically, since the end of WWII, whose backdrop is of the demand of monopoly capital for the total subordination of the Third World, guaranteeing, through regime changes, the "re-stabilization" of states, and when that is not possible, resorting again to direct control over "fractured" and "occupied" states. This process has entailed the transfer of state property and public funds into the hands of monopoly capital, thus signifying the advance of primitive accumulation over the Brazilian people. A fundamental insight in this analysis is that peripheral fascism, such as witnessed in Brazil, represents the escalation of primitive accumulation and internal colonialism, with both of these being racially organized trends and variously expressed through gender, class and ethnic cleavages. The pertinent question we are handed – one that is of utmost relevance to all peoples of the Third World – is what it would take to lead a truly sovereign nationalist development project in a peripheral country subject to neocolonialism, as has been the case in Brazil.

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Hemispheric supremacy and monopoly capital: an analysis of the current conjuncture in Brazil

Luccas Gissoni[1]

In 1942, Nicholas Spykman, largely considered the father of American geopolitics and of the Cold War doctrine of containment, wrote that, out of the countries in the so-called "Western Hemisphere," Argentina, Brazil and Chile (the "ABC") were outside of the immediate sphere of supremacy of the United States, being separated from the Caribbean (called the "American Mediterranean") by the Amazon rain-forest. Also important was the South American continent projection towards the East in the Atlantic, both of which factors made any North American attempts to project naval power in the region a complicated matter. Spykman's fear was that these southern countries could attempt to balance American power in the region by an alliance among themselves or by playing extra-hemispherical powers; this, he sentenced, had to be answered through war.

If we look at history, evidences are that the American foreign policy and defines deep state has beholden to Spykman's script. Attempts at enforcing a sovereign national development project in the Southern Cone have largely been met with violent opposition by the United States that resulted in a number of coups d'état whose consequences are widely known. After the early 1970's crisis, "the American government began avoiding the kind of battlefields on the ground that had led to defeat in Vietnam, opting instead for war by proxy (as in Nicaragua, Angola and Afghanistan), confrontations of merely symbolic value, with insignificant enemies (as in Grenada and Panama), or bombardment from the air, where its high-tech war machine had an absolute advantage (as with Libya)" (ARRIGHI, 2002). This, although it did not put an end to that government's permanent wars to suppress national development in South America which led to this kind of regime change aggressions, did change the general tactics in which those are pursued. Consequently, we began to see coups d'état that are led by the judiciary and the media instead of the military, but nevertheless mobilizing the same classes and social forces up until the 1970's, and also not without the participation of the police and the armed forces, as we have seen in Bolivia.

For approximately three decades after World War II, the presence of a major anticolonial global force in the Soviet Union, its power and prestige for defeating Nazi Germany, the decisive participation of the colonised peoples in that same defeat, and

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the need for the United States to offer a credible prospect of development for these peoples, all conflated in generating a window of opportunity for the Third World to decolonise itself and to put sovereign national development projects on the agenda. Together with the maturity of monopoly capital and its capacity to extract value from Third World workers without the need of a formal structure of colonial dominance, this imposed and permeated a "retreat from direct control over the peripheries" (Yeros & Jha, 2020), in what came to be defined as neocolonialism (Nkurumah, 1965). With that window closed, monopoly capital is demanding total subordination of the Third World, guarantying, through regime changes, the "re-stabilisation" of states, and when that's not possible, resorting again to direct control over "fractured" and "occupied" states (Moyo & Yeros, 2011), all for the purpose of escalating primitive accumulation against the peoples of the Third World in the benefit of monopoly capital. The ever diminishing number of "radicalised" states are met with violent and suffocating opposition. The instruments for this are the US and NATO military, their proxies, and their ideological apparatuses of regime change, colour revolutions, hybrid wars and the like, with special attention to the United States' government control and instrumentalisation of social media for the promotion of its agenda amongst the targeted countries' population.

It is in that framework that we must regard the events happening in the last decade in Brazil. The coming to power of a limited sovereign government under Lula and Rousseff after 2003 has grown to be in increasing contradiction with the interests of monopoly capital and that of the United States. Specially, the knitting of a South American common sovereign agenda, in which Brazil plays a decisive role, has once again put on high alert those sharing Spykman's colonialist anxieties, while the discovery and exploration to national objectives of the pre-salt petroleum layer has hampered the imperialist control of the world's resources and their use by monopoly capital for the benefit of the imperialist agenda. Brazil was, albeit slowly and hesitantly, departing the way of re-stabilised states in the direction of radicalisation. Since then, we have seen increased espionage of Dilma Rousseff's cabinet, the fomenting of social unrest pinpointed by the June 2013 protests, the 2014 elections attempted and the 2016 successful coups, and ever since, the recruitment and training of agents in the Judiciary that perpetrated the 2016 coup and the indictment and imprisionment of Lula, the formation of a neoliberal and tamed government with Michel Temer and finally the 2018 fraudulent election of Jair Bolsonaro, all oiled – to say the least – by expert use of a fake news machine in social media with the help of Cambridge Analytica.

Temer and Bolsonaro both represented the re-stabilisation of the Brazilian state in the sense that it is now back on the tracks required by imperialism. Despite, or more likely because of, the frenzy that has accompanied the latter, they both meant the handing over of the state property and the public fund into the hands of monopoly capital, thus signifying the advance of primitive accumulation over the Brazilian people: the social security, education and health systems, the national resources, and the federal budget by the so-called "spending roof", "secret budget", "rapporteur's amendment" and similar instruments, put together with the hypertrophy of financial capital and the handing over even of private national capital as shown by the aborted selling of Embraer to Boeing. What's more, Bolsonaro has empowered, and was empowered by, Christian fundamentalism, which has achieved gigantic size both materially and ideologically. This translates into a violent male reaction to women's struggle, and thus, again, of monopoly capital to guarantee access to unpaid social reproduction labour and to perpetrate primitive accumulation over women's works and bodies. Side by side with it, there is militia power that has taken over Rio de Janeiro's territories and state apparatus – specially the police – and tends to take control over the rest of the country. Together, Christian fundamentalism and militia power, added to the ideology of permanent war against Black people that fuels the armament of the civil population and supremacist violence, represents the only possibility of taming a society that once had developmentalist and industrialist aspirations for the purpose striping its people – that is now actively engaged in that project that goes directly against its material interests – in the benefit of – and who else? – monopoly capital.

Bolsonarism is regarded as a fascist movement, an accusation which needs examination. Classic fascism was a phenomenon typical of imperialist states, albeit relatively late ones. Both Germany and Italy were, from the late 19th century up until the end of World War II, in contradiction with major imperialist powers that have divided the Third World among themselves with little regards to the formers' interests. Consequently, fascism is not at all alien to imperialism but rather an extreme form of it, to the point that Hitler only has shocked the self-called "liberals" because he was doing in Europe itself what they have done in the rest of the world. In that sense, we must ask ourselves if a peripheral fascism is at all possible. As Yeros and Jha (2020) have noted, late neocolonialism represents a way out the crisis of monopoly capital by the reassertion of its control over the periphery, and this is both by resorting to semi-colonialism once again (resulting in either "fractured" or "occupied" states, of which the leasing of Brazilian Armed Forces Alcântara base to the US is an incipient example) and by resorting to fascism, be it in the centre or in the periphery. In the latter case, we may speak of fascism because, on the one hand, this, as classic fascism, serves the purpose of escalating colonialism as a way out of the crisis. And, I should add, on the other hand, peripheral fascism signifies the escalation of colonialism and primitive accumulation directed against the indigenous peoples in the frontiers of capitalism and of internal colonialism against the black and other non-white peoples, and against women. In this case, the peripheral country may itself be in the position of the colonial power, as is Brazil, whose ongoing process of frontier expansion and settler colonisation has much accelerated under Bolsonaro. But all this serves the interests of monopoly capital at the centre.

So, and focusing again in Brazil, we end up with the following class situation. Monopoly capital, incarnated in the bourgeoisie at the centre of the system, has the hegemony and much of the apparatuses necessary to perpetuate its power, including the US an NATO military and intelligence, its propaganda machine in the BBC, CNN and Hollywood, social media and control of the algorithms, and the international financial system. Internally, there is the comprador bourgeoisie that is associated with the former and has for that reason supported every attempted or successful coup against nationalists and leftists governments since at least 2005. It is mostly this bourgeoisie that has virtually paralysed the country's economy after 2015 through an investment lock-out and jeopardised any attempt by Rousseff to overcame that situation. The petty-bourgeoisie has been its shock troop ever since, moved by its reactionary and racist fears of being proletarianised by the process of the democratization of the country and ferociously holding on to its privileges, of which the privileges of air travel, of a white public university and of having a super-explored maid are the most salient examples. The international monopoly bourgeoisie, the comprador bourgeoisie and the petty-bourgeoisie were unequivocally united in a tenacious battle against Lula and Rousseff and their party, the PT. Oddly enough though, it appears that all these classes are now divided: one part has stick to its previous position, while another part has moved to the other side and comprised the wide front that has taken Lula to victory once again. This shift is most visibly crystallised in the "Globo" media group position, which has used to pump Lula's election the very same instruments that it has for two decades used to overthrow him and his party.

We could try to solve this puzzle by employing the category of the class fractions, as it appears that the agribusiness bourgeoisie has widely supported Bolsonaro in contrast with the more urbane class sectors. This has a regional expression, as the current president's advantage in the last elections was considerable west of São Paulo city, that is, mostly where the agribusiness economy and its bourgeoisie are hegemonic, which does not include, it should be said, the city itself and its metropolitan area. Also, even in the big area, those regions where petty-producer agriculture prevails gave victory to Lula, which is also the case of the Northeast. And that has to be combined with other factor, as in the case of fundamentalism and militia dominated urban Rio de Janeiro electing Bolsonaro and his ally for governor, and in this case in first round. Nevertheless, this could miss the point as third place presidential candidate Simone Tebet, a Senate representative of agribusiness interests, intensively engaged in Lula's campaign in the second round. Also, the "Globo" group has both been representing agribusiness interests and promoting Lula for a long time now, albeit the former much more than the latter. It could also be said that the financial bourgeoisie is less tending to support Lula, but we would then encounter the same issues.

Then there is the proletariat, which has also divided itself in support of both candidates. Here, it is more clearly the case of a regional divide where in the regions that the ideological apparatus of monopoly capital, oiled by Christian fundamentalism and male chauvinism, are firmly established, it has been able to win the hearts and minds of the workers against their own interests. In others, it has not done so. The situations in São Paulo, where bolsonarism appears to be more of a petty-bourgeoisie phenomenon (and, interestingly, not amongst it's most educated sectors), and Rio de Janeiro, where it has managed to gain wide popular support, are paradigmatic. It should also be mentioned that the Christian fundamentalist racist colonialist agenda against the religions of African origin has probably aided to guarantee Lula's victory in the regions where these are most widespread – the city of Salvador being the most important case. Anyhow, the recent coupist protests against the elections' results, largely a petty-bourgeoisie phenomenon that has failed to gain momentum and jeopardise Brazilian democracy, show that Bolsonaro had impressive voting but has no mass support.

There are a number of other cleavages that I now turn to. First and foremost, bolsonarism is more or less clearly a racist political project and this appears to be now clear to most Blacks. We still lack data crossing race with vote, but we do have it for the polls and it seems that, if one group is to be considered responsible for ejecting Bolsonaro, it is this one. Going back to my previous analysis, this is understandable since peripheral fascism represents the escalation of primitive accumulation and internal colonialism and these are obviously racially organised. Also, this would explain proletarian and petty-bourgeoisie support of Bolsonaro since the white proletariat, in the face of the escalation of primitive accumulation against itself, might be holding on to its race privileges in a fratricidal reaction.

The same holds true for the gender cleavage as, and again judging by the polls, it appears the women tended to reject Bolsonaro much more than men. This indicates that there is a perception, by both groups, that bolsonarism represent a reaction against the emancipation of women. Here, the material aspect is also the most important, as men might be holding on to their gender privileges in the face of escalating exploitation of their work. To partially compensate this tendency, some of them resort to escalating exploitation of unpaid women's work, both of which are beneficial to monopoly capital. Women, for their turn, naturally oppose this solution.

Finally there is the general indigenous support of Lula, which in the case of settled Indians, probably the most organised and disciplined social group in the country, is unambiguous. Again this is no surprise, since Bolsonaro's support for the increasing of white settlements in indigenous lands, with it consequential deforestation, is self-evident. The result is visible for instance in the mostly indigenous state of Amazonas, where Lula has won in all municipalities but the capital city of Manaus – a rather unique outcome.

Bolsonaro poses himself as a patriot and his supporters use the country's colors. This is an example of a situation which embodies its contrary: Bolsonaro has become President following a massive attack against Brazilian sovereignty by monopoly capital and by the United States. Both him and Temer have resumed automatic alignment with the US foreign policy, allowing for the continuation of the US's deep state spykist project. The only true nationalist moments of Bolsonaro happened when he opposed imperialist, specially European, interference with Amazon affairs – thus when he found himself in the position of the coloniser directed against indigenous peoples. This shows that Bolsonaro will never be anti-imperialist and is thus incapable of directing a truly sovereign nationalist development project in a peripheral county subject to neo-colonialism as is Brazil. Nevertheless, contradictory forces in world politics – for which the Amazon issue plays an important role – have put imperialist forces actually in support of Lula. Also, their internal proxies – the comprador bourgeoisie – have also largely sported the PT's candidate, in what turned to be a wide front. We, the anti-imperialist forces of the world, legatees of the spirit of Bandung and the true bearers of national liberation, must unite, with Lula, against the hijacking of our political project by these forces by which we shall not be deceived.

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State level price variation of Paddy: The role of public procurement

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Agriculture prices in India has been far from simply the outcome of demand and supply of agricultural produce. In fact, one of the major issues of Indian agriculture and particularly for Indian farmers has been the lower price prevailing in the rural markets (Chatterjee et al 2016). In order to address the problems of unviable price, the agricultural policies of the country makes the provision of Minimum Support Price (MSP). Fixation of MSP is largely done by incorporating the recommendations of Commission of Agricultural Cost and Prices (CACP) (GOI, 2016). Though there is a provision of MSP in the policy documents, there is no statutory requirement of any non-government organisation to follow MSP regulations. Therefore, lacking any such legal provision, the entire markets for foodgrain procurement is largely divided in two broad parts, the one which comes under MSP regulation and the remaining other, largely private markets without having any such requirement.

This paper draws its analysis on the basis of unit level data of National Sample Survey (NSS, 2020) 77th round survey which was conducted during 2018-19. NSS lists procurement agencies as local markets, input dealers, Agriculutral Produce Market Committee (APMC), cooperative societies, government agencies, Farmers Producers Organisations (FPOs), local food processing units, contract farming arrangements, and other agencies. As discussed earlier, this paper categorises all agencies in two broad categories, namely: regulated markets which include all procurement agencies for which Minimum Support Price (MSP) is applicable (the APMC, rural cooperatives, government procurement agencies and FPOs come under this category); and all other procurement agencies for which the system of MSP is not mandatory and come under non-regulated markets. Since all regulated markets are expected to follow MSP therefore, the price received by farmers would depend on the type of agencies where a farmer is selling their produce. This difference becomes even larger if the market price in any region or at any point of time is below the MSP.

In case of paddy, the NSS data suggest that more than 90 percent[i] of the farmers[ii] sell their produce in the non-regulated markets and within the non-regulated markets, an overwhelming share of

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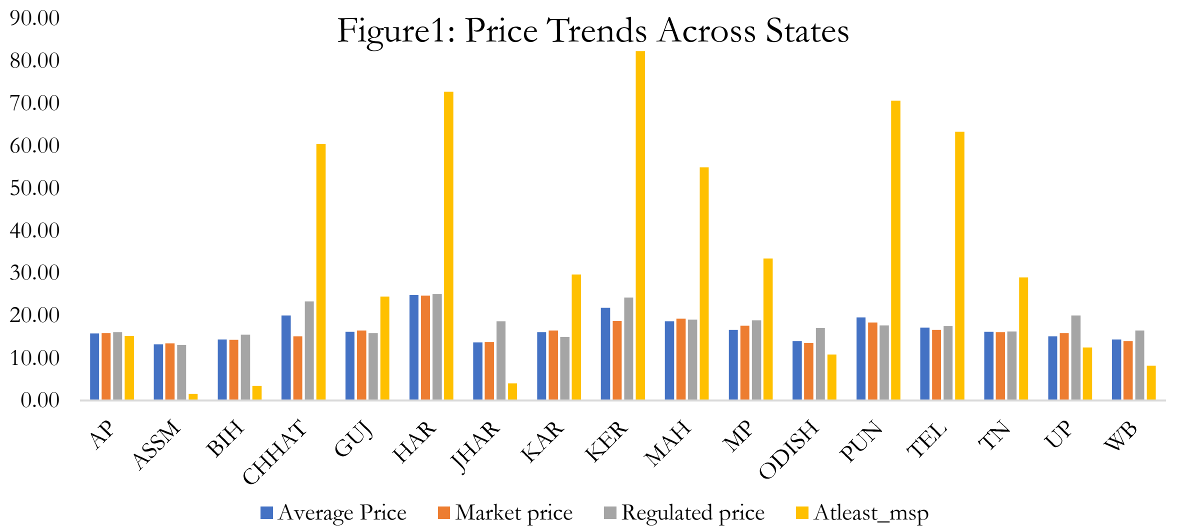
paddy is sold in the local markets. Thus, the price prevailing in the local markets has been playing an instrumental role in determination of average price received by farmers in any states. Largely, local market prices are generally subject to local demand and supply conditions of food grain (Narayanmurthi 2021). For understanding the role of various procurement agencies with respect to procurement price of paddy, the average price is further categorised firstly as average price received in the regulated markets and secondly average price received in the non-regulated markets. Based on these definitions the paper will attempt to understand the role of public procurement on the average price received by farmers at the state level. In other words, how far state level average price as realised by farmers are different and to what extent public procurement influence such price realisation. The share of the regulated markets in total procurement in this study depends on two aspects, first, total state level procurement done during that year and secondly, the percentage of farmers who have directly been able to sell to various agencies within the regulated markets. More precisely, even if any state procures a substantial proportion of total produce of that state and most of such procurement happens from middleman and not from the farmers directly, then despite the prevalence of MSP in the procurement, farmers will not be able to take advantage of such higher price. Thus, both higher government procurement along with higher proportion of farmers selling in the regulated markets are essential condition for farmers to get advantage of MSP.

Figure1: Price Trends Across States

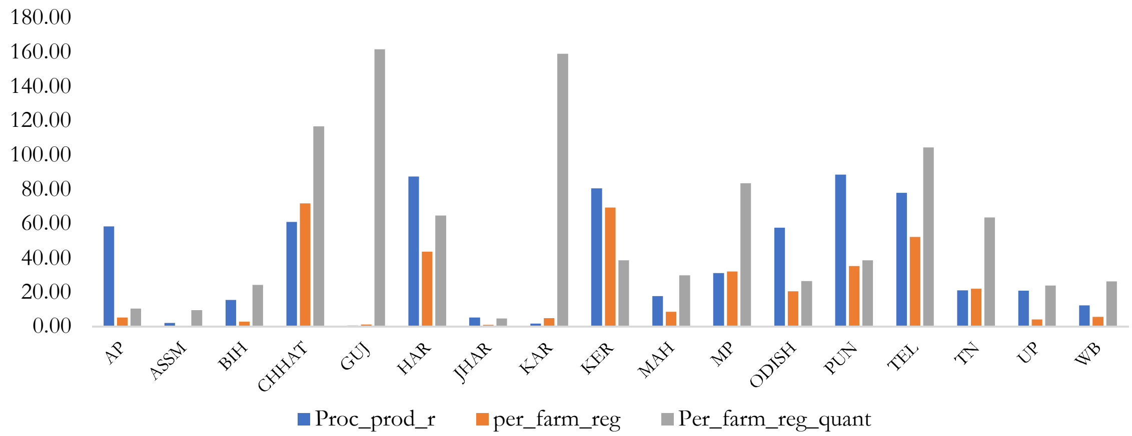


Source: Authors calculations from the unit level NSSO data on "Situation Assessment of Agricultural Households and Land and Holdings of Households in Rural India 2019", NSS 77th Round (January – December 2019).

The price variation across regions and states has been significant enough. In fact, calculations based on National Sample Survey Organisation (76th round) shows that the average price received by farmers has been as high as 24.82 rupees per kg while this number was 13.26 in case of Assam. In other words, average paddy price in Haryana has been 87.2 percent higher than that of Assam during 2018-19. The difference is too large to be explained by any local factor. In fact, such difference of prices across different states are quite large for many groups of states.

Some states like Haryana, Chhattisgarh, Kerala, Maharashtra and Punjab, the average price received by farmers has been higher and reported to be either 20 rupees per kg or above. While in some states like Assam, Jharkhand, Bihar, Odisha, Uttar Pradesh and West Bengal, the average price received by farmers has been substantially lower than the national average. Such clustered price difference across states indicates that some common factors might be in action which could be instrumental in creating such clusters of average prices, though some part of price difference could be explained by geographic factors such as hilly terrain and therefor high cost of cultivation. For those states, transportation of food grains form other states with lower average prices is also not cheap either thus, exchange from other states might not be an effective factor to bridge such price differentials. Further, in some states the high variety of rice is cultivated which has higher market values. For instance, state like Uttarakhand, Jammu and Kashmir, part of Haryana and Uttar Pradesh cultivate higher variety of rice called *basmati* for which the average price has been much higher than the common variety of rice cultivated otherwise. However, even after taking into account such factors, the difference in average price across states varies to great extent. More surprisingly, states lying in same geographical regions with similar variety of rice also shows remarkable degree of difference in terms of average price received by farmers. For instance, the agrarian as well as socio-

Figure 2: State wise difference in various indicators related to Government Procurement



Source: same as figure 1; Note- Proc_prod_r) shows government procurement (absolute quantity procured by government agencies during 2018-19 in lakh million tone) as a percentage of total production of the state; per_farm_reg (farms in %) shows percentage economic conditions of Jharkhand and Chhattisgarh remain largely similar yet the difference between average price received by farmers in both the states has been extremely high. In fact, the case of Chhattisgarh is very interesting as the average price in Chhattisgarh has been significantly higher than nearing states like Madhya Pradesh or Odisha. Similar pattern is observed in southern states where Kerala is showing remarkably higher average price of paddy as compared to other neighbouring states like Tamil Nadu and Karnataka. Therefore, geographical factors seem to play a very limited role in the determination of average price in states.

Since MSP is fixed by considering minimum viable price which can cover cost of cultivation along with minimum level of margin, any price lower than MSP would largely be unviable price for farmers. The trends of farmers receiving at least MSP price in case of paddy has also been highly skewed across states. For the year 2018-19, the minimum support prices were fixed at 17.5 rupees per kg for normal variety and 17.7 for higher variety of paddy. Evidently, since the share of non-regulated markets in total procurement of paddy has been substantially higher and for them there is no legal requirement to offer MSP to farmers (Singh & Bhogal 2021), the percentage of farmers receiving at least MSP has not only very low[iii] at the national level but also been extremely skewed across different states. Now, taking the conservative estimates with 17.5 rupees per kg, the proportion of farmers getting at least MSP has been highly skewed across states. For instance, in Chhattisgarh (above 60 percent), Haryana (above 72 percent), Kerala (above 82 percent), Maharashtra (around 55 percent), Punjab (above 72 percent) and Telangana (above 63 percent), the proportion of farmers reported to receive at least MSP was very high as compared to states such as Assam (around 1.6 percent), Bihar (around 3.5 percent), Jharkhand (around 4 percent), Odisha (less than 11 percent), UP (around 12.2 percent) and West Bengal (around 8.2 precent). Therefore, quite evidently, states with high average prices show higher proportion of farmers getting at least MSP. Therefore, in terms of both average price and percentage of farmers receiving at least MSP, the trend shows a cluster pattern as far as states are concerned. Prevalence of such clusters beyond the geographical boundaries indicates that some common factors are influencing them.

One of the important factors affecting farmers selling in the regulated market is the availability of government procurement. As far as Indian states are concerned, the level of public procurement has always been highly skewed in favour of some states (Mohankumar & Premkumar 2018). In terms of absolute quantity, the procurement has been highly skewed across states. Six states namely Punjab (25.53 %), Telangana (11.69 %), Andhra Pradesh (10.82 %), Odisha (10.02 %), Chhattisgarh (8.94 %), and Haryana (8.88 %) constitute nearly 76 percent of total paddy procurement of the country (Table 3). However, their contribution in the production of paddy in the country remained less than 40 percent. More precisely, for some states like Punjab (88.39 %), Haryana (87.29 %), Kerala (80.45), Telangana (77.81 %), Chhattisgarh (60.84 %), Andhra Pradesh (58.36%), and Odisha (57.5 %) the percentage of total government procurement out of total production of paddy was very high while for states such as Gujarat (0.47 %), Assam (1.95 %), Karnataka (1.72 %), Jharkhand (5.25 %), Bihar (15.42 %), and Maharashtra (17.7 %) the ratio of procurement to production was very low. Sure enough, the government procurement in states has been highly skewed in terms of both absolute quantity of procurement and the share of production across states. This has obvious bearing on the percentage of farmers selling in the regulated markets as both cooperatives and direct government procurement has been one of the most important parts of entire regulated markets.

The states with higher percentage of government procurement to production shows higher percentage of farmers selling in the regulated markets. The percentage of total sale of paddy in quantity out of total reported government procurement (Figure 2) shows that in case of Jharkhand (4.61 %), Assam (9.48 %), and Andhra Pradesh (10.37 %), the total quantity sold in the regulated markets[iv] as reported by farmers[v] constitute smaller portions of total procurement. This means that large proportions of government procurements are happening from non-farmers or middlemen in these states. However, on the other hand, for some states like Karnataka, Gujarat, Chhattisgarh, and Telangana this ratio is well above 100 percent[vi] which to a large extent confirms that most of the government procurement in those states is happening from the farmers directly. Here, the case of Karnataka and Gujarat is not of much importance because government procurement in the state has been meagre and only a small proportion of farmers are selling in the regulated market. However, for Chhattisgarh and Telangana with higher procurement-production ratio and with higher percentage of farmers selling in the regulated markets, necessarily implies that government procurement is overwhelmingly happening from farmers directly. In all other states there has been moderate gaps between government procurement and farmers reported quantity of selling in the regulated markets confirms that government procurement is happening from both farmers and middlemen in those states.

Based on these selected factors there seems to be an existence of clusters of states.

It is evident that the price related variables are very much high in states like Punjab, Haryana, Chhattisgarh, Telangana, and Kerala which happen to be states with one of the highest procurement-production ratios and percentage of farmers selling in the regulated markets. In other words, these states which reflect strong presence of government in terms of procurement of paddy and a large proportion of farmers are selling in the regulated markets, also witness relatively higher average prices received by farmers both in regulated markets and local markets. Further, the proportion of farmers receiving at least MSP has been very high for these states. On the contrary, other clusters of states with relatively lower government procurement and percentage of farmers selling in the regulated markets, such as Andhra Predesh, Bihar, Jharkhand, Assam, West Bengal and Odisha show that both average price in regulated and non-regulated markets remained significantly lower than the first cluster of states. Quite expectedly, proportion of farmers receiving MSP in those states has been extremely low. Similarly, other states where price indicators are moderate such as Maharashtra, Gujarat, Tamil Nadu, Karnataka, Madhya Pradesh, and Uttar Pradesh reflect moderate level of government procurement as well as percentage of farmers selling in the regulated markets. For most of these states, the percentage of farmers receiving at least MSP remains largely between previously discussed groups except the case of Maharashtra where this ratio has been relatively higher. Presence of clear clusters in terms of government procurement and price of paddy received by farmers across states clearly indicates prevalence of a strong relationship between government procurement and price variation across states.

Thus, it is quite evident from the trend that one of the most important factors possibly affecting the average price of paddy in states has been the level of government procurement and its inclusivity. Arguably, higher government procurement with higher proportion of farmers selling in the regulated markets leads to higher average price probably on two accounts: firstly, as regulated prices are in general higher than the markets prices so a larger proportion of farmers selling in the regulated markets are receiving higher prices such that average price is higher; and secondly, active regulated markets with higher prices also pull local market prices upwards and therefore local markets prices are also higher in states with more developed regulated markets. Thus, to a large extent both average prices received by farmers and percentage of farmers receiving at least MSP is largely influenced by the extent of government procurement combined with the proportion of farmers selling in the regulated markets.

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[i] Authors calculations from NSS 77th round unit level data.

[ii] In this study the farmers are taken as gross farmers. In other words, same farmer cultivating paddy twice in two seasons are counted twice. However, two times paddy cultivation on the same farmland is not very common in India therefore the difference between individual farmers and gross farmers remains marginal.

[iii] As per NSS 77th round data, at all India level more than 78 percent of paddy farmers received less than MSP price for their produce during 2018-19.

[iv] Here regulated markets refer to APCI, Cooperatives, FPOs, and Government agencies combined.

[v] Total quantity sold to regulated markets by farmers as reported in the NSSO data are aggregated for the states.

[vi] The ratio is higher than 100 percent may be because other regulated markets constitute relatively major part of procurement.

Economic Sanctions in Zimbabwe and their Implications to the Agricultural Sector

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Introduction

Zimbabwe is a former British settler colony located in Southern Africa. Like many countries in the South, the black colonised people were subjected to land expropriations resulting in landlessness and exploitation of the majority of the black population. After waging a liberation struggle from the 1960s to the late 1970s, the then British establishment finally gave in to the demands of black majority rule at the Lancaster House talks attended by nationalists (Patriotic Front), the British and USA governments, and the colonial administrators. While the British gave in to political demands, the issue of the inequitable land ownership structure which was at the core of the liberation struggle remained unresolved. It therefore came as no surprise that with a growing socio-economic crisis resulting from neoliberal economic policies, Zimbabwe implemented a radical land reform programme from 2000 known as the Fast Track Land Reform Programme (FTLRP). Western countries responded by imposing sanctions on Zimbabwe. The purpose of this piece is to examine the impacts of sanctions on the agricultural sector with a specific focus on the peasantry. It also devotes attention to analysing the nature of the sanctions regime as well as the effects of sanctions on the broader economy.

Economic and Policy Context

Since the 1990's, Zimbabwe policies were largely neoliberal in outlook as the country embraced the Economic Structural Adjustment Programme (ESAP) which pushed for the withdrawal of the state from the economic and agricultural sectors while intensifying privatisation and free trade (Binswanger-Mkhize and Moyo 2012). The political, economic and social consequences of the liberalisation project were dire as the majority of the workers were retrenched manufacturing industries closed, leading to urban to rural migration as urbanites found it increasingly difficult to reproduce themselves in urban areas (Moyo and Yeros 2005). Apart from the liberalisation agenda, a racial bi-modal agrarian structure inherited from the colonial regime and bequeathed through the Lancaster House agreement also played a significant role in accentuating inequalities in the countryside. Within the bi-modal agrarian structure, about 4,500 white large-scale commercial farmers with close to 5,000 farming units owned more than 11 million fertile lands between 1980 to the 1999, while a total of 1 million communal farmers controlled 16.4 million ha in drier agro-

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ecological zones (Moyo et al 2009). The Large-Scale Commercial Farming (LSCF) sector also enjoyed greater access to public and private commercial banks loans, while communal farmers relied on own finance, leading to further social stratification. Between 1980 and 1999 land redistribution was curtailed by the market driven willing-buyer willing-seller framework (Moyo 1995).

With the prevailing inequitable agrarian structure and rising inequalities brought about by enhanced structural adjustment programmes (ESAP), a social reproduction crisis in both urban and rural areas triggered a wave of land occupations led by social movements, notably the country's war veterans and the landless targeting white owned LSCF. Prior to the land occupations which intensified from 2000, the country had from 1998-2002, through "Operation Sovereign Legitimacy," led countries in the Southern African Community (SADC) to repel the invasion of the Democratic Republic of Congo (DRC) against Rwanda and Uganda , a policy decision which set Zimbabwe on a collusion course with the United States of America (USA) and multi-lateral bodies such as the World Bank(WB) and the International Monetary Fund(IMF) (Moyo, Yeros &Jha 2012). Relations between Zimbabwe and the USA soured mainly because the former repelled the American backed Rwandese and Ugandan military onslaught on Kinshasa while the multi-lateral bodies argued that the countries was spending unbudgeted funds in the war (ibid).

The Fast Track Land Reform Programme (FTLRP) implemented from 2000-2003 had an effect of altering the agrarian structure from bi-modal to tri-modal, which encompassed an expanded smallholder farmer base, nascent middle-scale A2 farmers, as well as a few remaining LSCF and plantation estates which had been spared from the FTLRP (Moyo 2011). The FTLRP also challenged the prevailing wisdom among international thinktanks and multi-lateral bodies that land reforms could only occur under market- assisted conditions (Moyo and Chambati 2013). Related to this, it also reconfigured land tenure relations by dismantling freehold land title held by LSCF and replacing it with state-based tenure (ibid).

Although scholarly opinion is divided, we contend that it was in response to the land occupations, that the USA and European Union (EU) imposed sanctions on Zimbabwe in 2001 and 2002 respectively. The USA imposed the Zimbabwe Democratic and Economic Recovery Act (ZIDERA) while the EU effected the so-called restrictive measures. The USA later amended ZIDERA in 2018 where it made fresh demands. The key demands under ZIDERA entailed the reversal of the radical land reforms by giving back land to the former white commercial farmers, respect of human rights and allowing for the conduct of 'free and fair' elections which reflect the will of the people. Key government insitutions critical for economic development and senior government officials were also placed on sanctions. Critical to note is both the EU and the USA have since 2001 systematically issued 'travel warnings' to Western nationals as part of the sanctions regime which has affected tourism revenue and the economy in general. Despite overwhelming evidence which we highlight that the sanctions regime affect the general economy and ordinary citizens, the EU and the USA have consistently argued that these measures are 'targeted sanctions' aimed at senior government.

Analysts critical of the land reform posit that sanctions were imposed in response to democratic deficits which obtained in the country such as electoral violence in 2000 and 2002 respectively (See Hammar et al 2003; Richardson 2005). Critics of the FTLRP also maintained that sanctions had not impacted negatively on broader economy and largely blamed the replacement of white-commercial farmers with "unskilled" black farmers as well as the collapse of freehold tenure as major reasons for the agricultural decline witnessed during the first decade after the implementation of the FTLRP (See Richardson 2005).However, some analysts argue that declines in agricultural production were to be expected post FTLRP as a 10- year transitional decline is a major outcome of any significant land reform(Moyo 2011; Moyo et al 2009).

1. Socio-economic impact of sanctions in Zimbabwe

With the collapse of the Berlin Wall, sanctions have been widely used by hegemonic forces as a strategy to penalise states seen not be acting in conformity to western dictates and interests . (Chidiebere, 2017). Over the past decades, western countries have imposed sanctions on countries such as Libya, Venezuela, Cuba and Zimbabwe, with absence of democracy, rule of law and lack of human rights being cited as the major reasons for the imposition of sanctions. According to the late United Nations Secretary-General, Kofi Annan, sanctions have the potential of undermining the very reasons why they are imposed and can lead to worse dictatorship while also impacting negatively on the well-being of the general populace (Ankomah 2007).

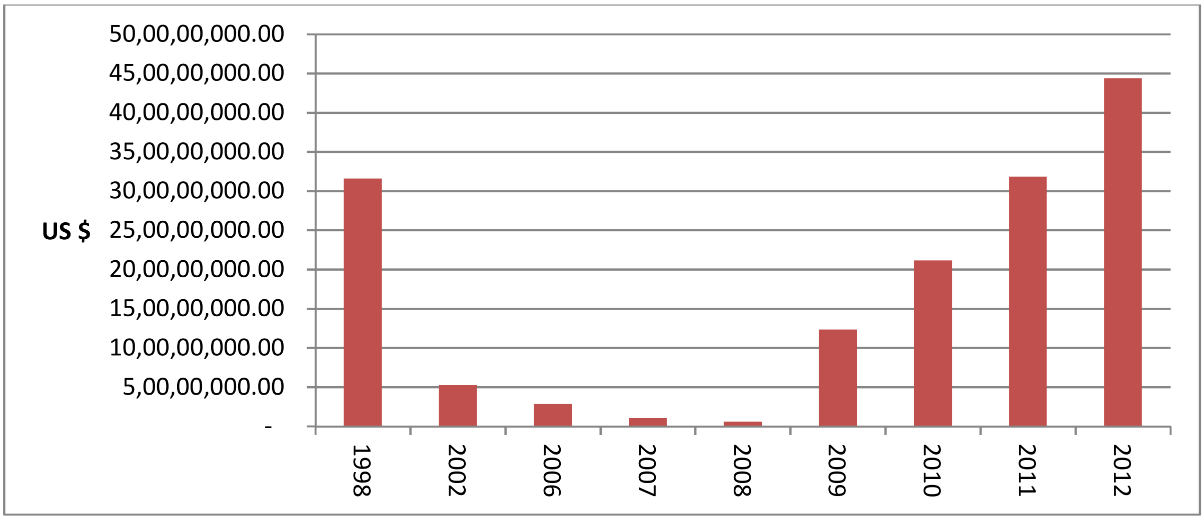
In Zimbabwe, sanctions have had an overwhelming adverse effect on their well-being. There has been a huge impact of sanctions on the socio-economic aspect of the country in various ways. One major effect of the 'targeted sanctions' has been the shortage of foreign currency which has not only affected the country's capacity to meet its foreign payment obligations and finance critical imports such as drugs, grain, raw materials, oil and electricity, but also massively impacted the citizens directly. Also, the imposition of sanctions on Zimbabwe led to termination and extinction of international support programmes. Such programmes were being run by the Danish International Development Agency (DANIDA) and the Canadian International Development Agency (CIDA) who pulled out of Zimbabwe in 2001 and 2003, respectively according to Mahoso (2007).

In discussing land compensation issues in Zimbabwe, it is important to always locate them within the sanctions debate as attempts to compensate the former white-commercial farmers are partly driven by a desire to mitigate the impact of sanctions. One clear effect of the sanctions imposed by the EU and the USA, and later on also implemented by Bretton Woods Institutions was the isolation of the country (Mamdani 2008; Moyo and Nyoni 2013). As a result of isolation the country could not access credit lines from the World Bank. The ZIDERA policy also directs USA officials sitting at the World Bank and IMF to veto any loan facilities intended for Zimbabwe. Alongside other factors such as the FTLRP, sanctions resulted in "capital flight" (Moyo and Nyoni 2013).

For the agricultural sector this resulted in a huge decline in farming credit from private commercial banks. The decline was from US$315 million in 1998 to US$6 million in 2008 (MAEMI, 2009), although there was a slight recovery from 2009 (Figure 1.4). As a result of clashes with international capital, there was a shift in the type of loans from medium and long-term loans to seasonal loans.Since 2001 many banks closed agribusiness units in protest over the land reform and cited many tenure insecurity/collateral and the failure to recover loans from the newly resettled black farmers as the main reasons. Important to point out is that the banks to lead such protests were mainly of British origin (Barclays Bank and Standard Chartered Bank).Added to this, offshore financing by local banks and agribusiness firms became difficult due to the high-risk premium placed on the country by global rating agencies such as Standard and Poor's (S&P).

Since 2009, the closing balance of loans owed to the commercial banks by the agricultural sector as at the 31st December of each year has been on the increase however largely as a result of the liberalisation of the broader economy (Figure 1.1). The closing balances of money owed by the agricultural sector rose fromUS$110 million to US$366 million at the end of 2011. As at the end of March 2012, commercial banks were owed in excess of US$ 444 million by borrowers from the agricultural sector.

Figure 1.1: Commercial Bank Credit to Agriculture (USD)



Source: RBZ monthly statistical bulletins / NB: Data shows closing credit balances owed to commercial banks as at 31st December of that particular year. Figures for 2012 are as at 31st March 2012 from World Bank Data

However, short-term lending rebounded during the period of the all-inclusive government when the multi-currency regime was in operation from 2009 to 2013. For the economy as a whole, about US$805.2 million short-term trade finance facilities were approved in 2009, while in 2010 US$1.5 billion were approved. During 2011, it was reported that by July, agriculture had received $400 million (19%) of the bank lending (Herald, 2011; RBZ, 2011) and this increased to $461.1 million (16%) by November 2011 (RBZ, 2012). This is against estimated annual requirements of over US$2 billion for the entire farm sector, thus highlighting how the ostrasization of the country was negatively impacting the agricultural sector and the broader economy as a whole (Ministry of Finance 2011b).

Such constraints in the private credit market also contributed to the rise of various forms of agricultural financing. The most striking trend was that by 2010, up to US$380 million (over 65%) of all credit offered to agriculture was supplied to agricultural contractors for contract farming (see Moyo and Binswanger 2012). The amount of agricultural credit provided through contracts, which often attract a high interest rate resulting in the pauperisation of peasants had reached over US$1 billion by 2018. This has continued to be the trend in recent years with the majority of agricultural finance being directed to tobacco and sugar contract farming (Chambati, Mazwi and Mudimu 2018). The substantial proportion of private bank lending to agricultural merchants and agro-industries, which then intermediate inputs support to numerous producers, suggests that private banks have been more inclined to limit their management costs and risks by lending to such actors rather than dealing directly with numerous smaller farm credit portfolios. These intermediaries rarely on-lend more than 20% of such loans, due to their own problems of efficiency (e.g. high overheads, risk premiums) and the profit margins they seek.

Apart from witnessing some shifts in the nature of loans from long term loans to short term loans, the number of farmers receiving agricultural credit also significantly declined (Moyo, Chambati and Siziba 2014). Coupled with other factors such as persistent droughts, macroeconomic crisis and the effects of a land reform, sanctions also contributed to massive declines in agricultural production in the first decade post FTLRP across all fifteen major crop commodities produced in Zimbabwe (Binswanger-Mkhize and Moyo 2012). This had a huge implication in terms of food security for urban and rural households. According to Bracking and Sachikonye (2008), remittances became a key source of livelihoods for a proportion of households although they also impacted negatively on non-remittances receiving households due to their propensity of fuelling inflation. Despite this increase in agricultural credit, export earnings from beef and horticultural produce declined significantly partly because of a campaign against Zimbabwean products in European countries (Moyo and Nyoni 2013).Zimbabwe also experienced a loss of export markets which from 1980 to 2000 had been pivotal in the generation of foreign exchange as the EU refused to buy products produced on 'contested land' resulting in horticultural exports taking a knock. Also impacted was the agro-industrial capacity due to limited capacity to mobilise resources offshore to retool and update machinery which resulted in high cost of production.

2. Land compensation question, constitutional provision, and implication

In an effort to revive an economy which has been under international sanctions for two decades now, the President Mnangagwa-led administration has been on a re-engagement drive with international financiers and key western powers such as Britain, the EU, Commonwealth and the USA in an effort to unlock funding (Mazwi et al 2018). As part of the re-engagement initiatives, Zimbabwe is being compelled to finalise the compensation of former large-scale white farmers whose land was expropriated during the FTLRP (See Ministry of Finance 2018). President Mnangagwa in 2018 acknowledged the importance of this issue and indicated in an interview at the World Economic Forum in Davos that it is part of his administration's priority (See https://youtube/ACUCh6q6UKA) and so did the Minister of Finance in his budget statement for the year 2019 (Ministry of Finance 2018). However, it is important to state that there is a stalemate between the

Zimbabwe administration and the United States of America. While Zimbabwe agrees that it has a responsibility to compensate former white-commercial farmers, it argues that such compensation should only be confined to farm improvements as provided for in the constitution, while the USA through ZIDERA maintains that compensation should also extent the land.

While Zimbabwe faces greater challenges of developing and capacitating strong land and agriculture-related institutions such as the Land Bank and the Zimbabwe Land Commission (ZLC), the reality is that the country already has a constitutional and legislative framework which allows for the compensation of former white farmers. Added to these challenges is the lack of a clear mechanism for property valuation (See Moyo 2007) to the extent that wild compensation figures to the tune US$9 billion have been suggested by the former farmers' bodies. The demand for compensation tends to overlook historical grievances such as the destruction of livelihoods, notably indigenous black farmers' livestock, labour exploited during the colonial period and state subsidy contribution to the development of infrastructure on former white commercial farms (Moyo 2007). These complex historical issues require a robust financing mechanism and time, thus there is need for the government to revisit its priorities to ensure that there is a balance between addressing this constitutional issue while at the same time channelling fiscal resources to the development of infrastructure and social services in the resettlement areas. Apart from strengthening weak and ineffective land and agriculture related institutions, Zimbabwe also faces a huge task in establishing social services and infrastructure facilities in resettlement areas. Surveys conducted by the Sam Moyo African Institute for Agrarian Studies show that road and dam infrastructure are poor while access to social services such as education and health services remain poor (Moyo et al 2009; Moyo et al forthcoming).

In 2020, the Government of Zimbabwe (GoZ) announced a US$3.5billion compensation for the former large-scale commercial farmers whose land was compulsorily acquired through the fast track land reform programme. The offer, which is said to be for improvements on the acquired land, has also encouraged the former white commercial farmers who lost land to consider entering into Joint Venture partnerships with black farmers. The Commercial Farmers Union (CFU) has even gone further to propose that instead of paying compensation in monetary terms the government should consider giving them land on a lease basis. Studies by Scoones (2020) and Mazwi (2022) show that Joint Venture partnerships have already gained ground in Zimbabwe's rural landscape although many of them tend to be informal and characterised by unequal power relations. Questions that arise therefore are what the future of Zimbabwe looks like given the persistence of Zimbabwe's international isolation: Is Zimbabwe likely to capitulate to hegemonic forces in the name of re-engagement? So far we have seen manoeuvres aimed at reintegration into the Commonwealth and Multilateral agencies such as the World Bank and the International Monetary Fund (IMF). If such moves yield no results as most likely will, what are alternatives to finance the development agenda? Is an autonomous economic development agenda which prioritises agriculture possible? In the past five years we have seen major socio-economic development projects, including agriculture, being financed through domestic resource mobilisation which is a significant development. At a political and diplomatic level the country has continued to be a voice against imperial domination with its leaders proclaiming that "Zimbabwe is a friend to all and enemy to none."

Conclusion

This piece has clearly demonstrated the negative impacts of sanctions on the Zimbabwean economy and the general populace. Also affected has been the agricultural sector particularly on the financing and production trends. Also shown in the article is the dilemma faced by policy makers: pay compensation for readmission to the international community yet creating a serious socio-economic crisis at home, or pursue the non-compensation route and face a backlash. An autonomous economic development model, though unsustainable given the nature of opposing forces, should also be considered.

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