Genesis of corporate farming

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THE proposal of corporate farming is not a new concept. This method of organizing production as a basis of unequal exchange between the Third World and the First, with, in fact, unequal exchange built into it, has existed since at least the twelfth century.

The slave mode of production, was not the necessary sequence to the primitive community. There were slaves all over the world at a time when the muscle power was an important motive force. But it appeared as the basis of production, as the dominant mode, only in the classical Greece and Rome, ceding place later to Byzantine feudalism on the one side and the West European feudalism — feudalism par excellence — on the other.

The slave mode was one answer to the sparseness of population compared to the available fertile land. It became possible when the first surplus product appeared and man was able to produce a little more than what was needed for his bare existence. But it was man's gigantic step forward in Greece and Rome.

Nearly all the basic differentiations that we know of today appeared under it — between agriculture and pastoralism, food production and artisanat, production and trade, mental and physical labour etc. The first commodity production for sale also appeared in the slave mode but not in any of the other modes which succeeded the primitive community. Perhaps slavery was not inevitable. But, at a certain epoch, it was a progressive development.

No such thing can be said for the slavery which was introduced on the Atlantic islands for the purposes of sugar cane plantations in the fifteenth century and spread from there to the Americas. It could be defined neither as an independent mode, nor as historically necessary. It was a form of the early capitalism's primitive accumulation i.e. creation of capital or its valorization by means not of wage labour but, in this case, coerced labour, mainly that of the slaves drawn from Africa.

Sugar cane was grown traditionally in the Levant. Crusaders carried it to Cyprus, as sugar fetched a high price in Europe. From there, it spread to Crete, Malta, Balearics and Sardinia.

The crop has certain peculiarities. It requires intensive cultivation at about one worker per acre. The harvested cane is bulky and hard to transport. But, once refined, the product, i.e. sugar, has a high value to the volume and can be transported over long distance cheaply and without suffering damage. Thus it demands gang-labour, refining facilities on the farm itself and heavy initial capital outlay.

As slavery still existed in the Mediterranean areas, drawing upon the supply of slaves from the Black Sea's northern shores, the gang-labour could be organized there. But the cane cultivation could not enter Europe, even the southern regions of Italy, France and Spain, since the feudal regime there forbade the feudal lords to clear the land of the serfs already farming it.

In the fifteenth century, when Western Europe burst upon the world driven by almost inexhaustible energy, cane plantation spread to Madeira, Cape Verde, etc., and from there to Brazil. Its hey-day was the sugar production in the West Indies. It was the first region to feel the impact of European colonialism on a large scale. And it is the most exhausted today, too exhausted to even attempt to pull itself out of the periphery to which it has been consigned.

These plantations first utilized the forced labour of the local Amerindians. But they quickly died out because of the captivity and the diseases

Caribbean. If it had succeeded in seceding, it would have become a Third World state, since all the ingredients of under-development were present there, low productivity, resistance to technology, low cost of reproduction of labour power and the dependence of the economy on the export of a single raw material. While the North was producing industrial goods for the internal market, the South was producing raw materials for export.

Above all, it had a ruling class, whose survival as a class was bound up with that of the plantation economy, which, in fact, cultivated deliberately the behaviour and outlook of the European aristocracy.

The West Indies and Brazil which continued with their plantation economies, remained prisoners of under-development.

Now the Third World again faces the challenge of foreign plantations in the form of corporate farming. They carry many of the features of the old plantations, with two differences. Now the entrepreneurs do not have to live on the plantations amidst the workers, in order to extract profit. The multinational can operate from far away.

Secondly, they do not have to import labour power, slave or indentured, as trained work force is available locally. It is also cheap as its cost of reproduction was pushed down by colonialism, and abundant due to rural over population, again an after-effect of the blockage of the Third World's industrialization.

The existence of this free labour, in turn, frees the capital, which previously used to be locked up in the slaves. It can now be used to acquire more land and pay for a high degree of mechanization of the farms. The plantation can also offer higher wages compared to the local rates.

The plantation whether in the period of capital accumulation, competition or in that of monopoly is a form of the export of capital. So are the multinationals, which appear in the latest stage of capitalist development, that of globalized capital. The force driving the export is the tendency of the rate of profit to fall in the advanced countries. True, the monopolies are not any more subject to the ordinary market competitions.

But the oligopolistic competition among the multinationals themselves still drives them to replace their machinery and production systems before they have yielded their full value. Therefore, a point comes where the new profits fall below the current rate on new investments. The exported capital has the task of not only earning the normal rate of profit abroad but to also make up for the loss due to the premature retirement of the old capital equipment and the profit which would have accrued on it. This can be done only through unequal exchange with the Third World, which, in turn, depends on

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