

# Agrarian reforms and farmers' protests in India: a policy perspective

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*The government of India passed three bills in September 2020 saying it aimed to deregulate and promote the “free market” and the penetration of private capital into the agrarian sector. The new agrarian market reforms claim to facilitate “freedom of choice” by allowing farmers to sell their produce to corporates and private traders and access better prices. However, farmers perceive these laws as a threat to the government’s assured procurement and support prices. Indian farmers protested in unprecedented numbers, gathering at the borders of the national capital,*

*New Delhi, in November 2020 and have been camping there ever since.*

## **INTRODUCTION**

Farmers’ protests are not a recent phenomenon in India. However, the number of protests by farmers in India has seen a massive spike since the Narendra Modi-led Bharatiya Janata Party (BJP) government came to power in 2014 (Singh, 2020). The resistance and unrest that built up among farmers over the years peaked with the passing of three agrarian laws. These neoliberal policies have intensified the agrarian crisis and the current protests are an expression of the fears and rage of farmers. More than 41 Indian farmer unions formed a coalition called Samyukt Kisan Morcha (SKM) or Joint Farmers’ Front to demand the complete repeal of all three laws.

Many economists, policymakers and activists in the country also opposed the current laws and proposed the need for the government to withdraw them

and formulate more comprehensive agricultural reforms in consultation with the major stakeholders (Himanshu, 2019). After several rounds of negotiations with SKM in January 2021, the Indian government agreed to temporarily suspend the laws for 12 to 18 months. However, farmers continue to demand the permanent repeal of all three laws and remain at the protest sites while talks between the farmers and the government are at a standstill.

The central government passed the three laws in Parliament hastily in the face of ongoing resistance. Different state governments challenged the constitutional validity of these laws in the supreme court. The government has remained silent despite the death of many farmers during the protests due in part to the harsh cold winter as well as a number of suicides. It seems to have adopted a strategy to “wear down the farmers” until they leave the protest sites. Although the mainstream commercial media channels have not paid much attention to the farmers’ protests, several social media platforms ➤

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have played a significant role in spreading protest updates. As a result, the government has been constantly monitoring the media and journalists and activists supporting the movement are constantly under the threat of arrest and detention.

This article evaluates the current laws in the context of agricultural policymaking in India. Further, it provides insights into the nature of protest through the lens of caste, class and gender.

### **AGRICULTURAL POLICY DISCOURSE IN INDIA: LOOKING BACK TO MOVE FORWARD**

Like other elites of post-colonial countries of the Global South, Indian elites have followed the western model of development and modernisation. They believed modern development will pave their way out of underdevelopment, which was the result of colonial exploitation, traditional hierarchies and divisions in Indian society such as caste, class, gender and religion. The technoscientific modernity backed by developmentalism was thought to be an all-encompassing solution to all “backwardness” in the agrarian sector (Cooper, 1997; Raina, 2011; Visvanathan, 1997; Gupta, 1998; Brown, 2018.)



After India’s independence from the British in 1947, the initial five-year planning commission focused on land reforms and the construction of irrigation infrastructure. The welfare/developmental state aimed to reduce land inequality through land reforms, although it was only partially successful in some parts of the country. Although India began to witness growth in agricultural production, it could not meet the increasing demands for food in the country. As a result, India adopted production-oriented agricultural policy through what it called Green Revolution technologies in the mid-1960s to achieve self-sufficiency in the production of food grains. The conventional package of the subsidy-led Green Revolution, consisting of High-Yielding Variety (HYV) seeds, synthetic fertilizers and pesticides, transformed the traditional agricultural system. The main objective was to increase the productivity of specific crops through water and chemical-intensive farming practices. A state-sponsored subsidy system was established to encourage the Green Revolution methods of farming. Wheat cultivation in Punjab, a northern state of India, during the early 1960s and ’70s is a

classic example.

However, after a decade or so, the pitfalls of the Green Revolution became evident. The simplistic assumption that technology provided the solution to the “backwardness” and social hierarchies created other agricultural problems. Brown points out that the imbalance in technological benefits intensified the existing hierarchies between big and small farmers (2018). Small landholders had to sell their land and join the class of agricultural labourers. Although the initial days of the Green Revolution led to an increase in agricultural employment and strengthened the bargaining power of agricultural labourers, the productivity gains did not continue to translate into higher daily wages. The homogeneous nature of the model did not consider existing regional differences in productivity and the localised structural inequality. Further, mechanisation in agriculture displaced agricultural labour without creating adequate growth in non-farm employment opportunities.

Since the 1990s, the World Trade Organisation and Structural Adjustment Programmes have paved the way for liberalisation in agriculture. India has

focused on reducing the fiscal deficit and withdrawing the share of public expenditure (De Roy, 2017). Declining input subsidies, increasing investment of corporate capital and market price volatility are the major features of the privatisation of Indian agriculture. The sector, which is based on three pillars – subsidies, support and supervision – was weakened by the changing policies. The so-called idea of agrarian reform was nothing but the neoliberal logic of creating an open international market, largely controlled by big corporates across the globe. The idea of a developmental/welfare state did not wither away but it adopted the package of neoliberal agrarian policies. Against this backdrop, the recent agriculture market reforms push the neoliberal path of development further.

### **FARM LAWS 2020: WHAT DO THE LAWS PROPOSE AND WHY ARE FARMERS OPPOSING THEM?**

Three laws – The Farmers' Produce Trade and Commerce Act; Farmers (Withdrawal of Protection) Agreement on Price Assurance and Farm Services Act (promoting contract farming); and The Essential Commodities (Amendment) Act, 2020 – created controversies and debate about the impact of these legislative changes on the farmers in the country. The neoliberal path proposes removing trade barriers and increasing the “freedom of choice” for farmers to sell their products beyond the government-regulated markets, known as Mandis, established by the Agricultural Produce Markets Committees (APMCs).

The protesting farmers consider it an attempt to weaken the Indian government's Minimum Support Price (MSP) system. By selling their produce at the Mandis, peasants were protected under the MSP system from increasing costs of cultivation. The MSP system was designed to act as a safety net against market volatility and distress

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sales by farmers. The Green Revolution model in the country was accompanied by public procurement policies to promote profits in the selling of grain. However, the latest All India level survey shows that despite regional variance, marginal and small farmers<sup>1</sup> received better prices through the MSP system compared to the price offered by private traders for both paddy and wheat crops (Das, 2020). Thus, the primary fear gripping the protesting farmers is the systematic dismantling of the Mandis making the MSP redundant in terms of the new acts under the pretext of assuring competitive prices.

The central government has repeatedly stated that the new farm laws do not directly affect the MSP system. However, in 2006 the BJP-led state government in Bihar implemented the model act by scrapping the APMCs (Manoj, 2020). This drastically reduced the role of the public sector in procuring the crops at a fixed rate. This forced farmers into distress sales due to the lack of private traders. The recent budgets also addressed the need to raise the MSP to increase farmers' incomes. However, the government could not increase the number of APMC markets recommended by the National Commission of Farmers.

Farmers are producers as well as consumers! After the independence of India, the government passed the Essential Commodities Act, 1955. The Essential Commodities (Amendment) Act removes food crops from the essential commodities list. The purpose of the act was to regulate the production, supply and storage of essential commodities (including food crops, oilseeds, jute, seed, etc) and control black marketing. The amendment intends to incentivise private players to invest in food processing and storage facilities. Protestors deem this harmful as the hoarding of produce by private players can encourage artificial price increases.

The Farmers Agreement on Price Assurance and Farm Services Act promotes pre-fixing prices through contract farming and intends to eliminate the middlemen or “arthiyas” from the value chain. Such a proposition ignores the critical role played by arthiyas in ensuring informal credit for a large section of resource-poor farmers in the face of inadequate institutional rural credit supply. Replacing arthiyas by big corporates might reduce the impact of market volatility, but the terms and conditions of these contracts are often not viable for marginal and small farmers (Satish, 2012).

For example, Punjab, one of the leading states in the ongoing protest, experienced contract farming-led diversification of agriculture post-liberalisation through corporations like PepsiCo and Voltas. Farmers faced uncertainty in farming income due to unequal negotiation terms in agreements with these big companies (Jain, 2020). The role of contract farming in supporting small farmers is debated in academia and by policymakers. After 2007, contract farming became an essential tool to increase the flow of capital among the small peasants in the Global South as an alternative to Large Scale Land Acquisition (LSLA) (Borras & Franco, 2012; Little & Watts, 1994; Oya, 2012). ➤



The major paradoxes of these farm laws are, firstly, they do not address agricultural issues such as stagnant productivity, use of synthetic fertilizers, promotion of alternative farming methods, etc. Rather, the intention is to expand privatisation in mid-stream and up-stream value chains of the agriculture output market. Secondly, the farmers already have the freedom to choose sellers. The first law packages this as a reform but MSP addresses distress sales, and not the providing of choice for the farmers. Thirdly, even though these laws claim to bring market reforms, the central issue of regional imbalances in access to regulated markets is not addressed.

### **ENRAGING FARMERS: CASTE, CLASS AND GENDER**

The farmers' protests exposed deep divides in rural India and the complexities involved in forging a united front across caste, class, gender and religion. Rural landlessness and inequality in land ownership has been increasing in rural India. As per the

Agricultural Census 2015-16, Dalits, the lowest caste in India, operate less than 9% of the agricultural land, and Adivasis, the various indigenous peoples of India, operate about 11% of the land, while the remaining 80% of the land is operated by upper caste and "Other Backward Class" (OBC) farmers in India (Varma, 2018).

The majority of the rural agriculture workforce comprises Dalits, particularly Dalit women. Therefore, it is not surprising that the current farmers' protests are predominantly led by the upper caste and rich Hindu, Sikh and dominant land-owning Jat farmers from Punjab, Haryana and Western Uttar Pradesh, who were among the early beneficiaries of the Green Revolution. The Jats, who constitute the vote bank of the ruling BJP government, challenge the political equations in these northern states. Despite the historic caste oppression and violence inflicted by the upper caste landlords and farmers on Dalits, Dalit labour unions joined the protests because agricultural wages constitute a major income source for Dalits in India. The new agrarian reforms

would also adversely affect all classes of farmers. Public procurement and price assurance are essential to marginal and small farmers who lack better opportunities in the non-farm sector to supplement their household income.

These protests have also been remarkable in terms of the participation of women. From 2018-19 in rural India, 71.1% of female workers were engaged in the agricultural sector, compared to only 53.2% of male workers in this sector (NSSO, 2019). Despite this, women farmers are not recognised. This is mainly because women farmers own only 13% of the land (Pachauri, 2019) and they often undertake farm operations at the lower end of value addition. The women marching in large numbers to the protest sites on tractors traditionally associated with men reasserted their identity as farmers. The youth who participated in large numbers (Chaba, 2020) raised their concerns over the significance of agriculture as a source of livelihood against the backdrop of higher unemployment levels, which worsened due to the COVID-19 pandemic.



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### LAST WORDS!

The current neoliberal agrarian reforms are a disappointment. They situate profit-making of corporates as the lynchpin of India's future agrarian development by overlooking the inherent connection between ecology and economy. Even with the ongoing protests, the Indian state fails to see the agrarian crisis as part of the existing rural crisis. From 1971 to 2012, the share of the rural non-farm sector in total rural employment increased from 14% to 36%, while its share in total rural output increased from 28% to 61% during this period (Chand, Srivastava & Singh, 2017).

The sluggish growth in rural non-farm employment is led by the services and construction sector. Manufacturing employment has been stagnant (Chand et al., 2017). As a result, the majority of the rural workforce is stuck in agriculture earning meagre incomes. The urbanisation-led growth strategies neglected the potential of rural industrialisation and absorbed the workforce shifting out of agriculture (Bhalla, 2018). Therefore, the lack of growth of labour intensive and high productivity rural non-farm activities, particularly rural manufacturing, has intensified the agrarian crisis in the country. Until and unless policymakers locate agrarian crisis within the broader



rural crisis, these so-called reforms are unlikely to change the scenario.

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### ENDNOTES

- As per the Official Statistical sources in India, marginal farmers own up to 1 hectare of land and small farmers own between 1 to 2 hectares of land. **NA**