

Neoliberal Death Knell for Indian Agriculture

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In a 2017 article, I asked what might a future India look like and concluded that, if current neoliberal policies continue, there could be dozens of mega-cities with [up to 40 million inhabitants](#) and just two to three hundred million (perhaps 15-20% of the population) left in an [emptied-out countryside](#). And it could also mean [hundreds of millions](#) of displaced rural dwellers without any work.

The policies referred to have not only continued but have been given a massive boost in the form of three parliamentary bills: The Farmers Produce Trade and Commerce (Promotion and Facilitation) Ordinance, 2020; The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Ordinance, 2020; and The Essential Commodities (Amendment) Ordinance, 2020.

The ordinances were issued by the Modi-led government in June and (according to official rhetoric) seek to create barrier-free trade for farmers and allow them to enter into agreements with private players prior to the production for sale of agri-produce.

Some have commended these bills, claiming they will completely ‘liberalise’ the farm economy, leading to greater flexibility and efficiency and offering freedom and choice to farmers and buyers of produce. Others claim they effectively serve to impose the tenets of neoliberalism on the sector, finally clearing the way to restructure the agri-food sector for the benefit of large commodity traders and other (international) corporations: smallholder farmers will go to the wall in a landscape of ‘get big or get out’, mirroring the US model of food cultivation and retail.

As [reported in the Economic Times](#), the Congress party chief spokesperson Randeep Surjewala said his party will fight the government “tooth and nail” on this issue:

“These three draconian ordinances are a death knell for agriculture in India. They will subjugate the farmer at the altar of a handful of crony capitalists....”

He added that farmers would not be able to get a remunerative price for their crop under the current system of minimum support price and that his party will join with other parties to put up a joint opposition to the draconian ordinances of the BJP government aimed at:

“Subjugating the farming community and abolishing the livelihood of crores [tens of millions] of people who are aligned with the grain markets and other market systems”.

The proposed legislation will mean that *mandis* – state-run market locations for farmers (overseen by Agricultural Produce Market Committees) to sell their agricultural produce via auction to traders – can be bypassed, allowing farmers to sell to private players elsewhere (physically and online), thereby undermining the regulatory role of the public sector. In trade areas open to the private sector, no fees will be levied (fees levied in mandis go to the states and, in principle, are used to enhance market infrastructure to help farmers).

This could incentivise the corporate sector operating outside of the mandis to (initially at least) offer better prices to farmers; eventually, however, as the mandi system is run down completely, these corporations will monopolise trade, capture the sector and dictate prices to farmers.

Another outcome of the proposed legislation could see the unregulated storage of produce and speculation, opening the farming sector to free-for-all profiteering for the big players.

Randeep Surjewala argues that the three ordinances are also a direct attack on the federal structure of India (farming and *mandis* come under the jurisdiction of states), but the government did not even consider it appropriate to consult them before promulgating the ordinances.

Sitaram Yechury, leader of the Communist Party of India, tweeted:

“No amount of propaganda and spin can conceal such destruction of India and its economy. Withdraw these ordinances handing over our agriculture to multinational agribusinesses, further ruining our ‘annadaata’, demolishing India’s food security.”

The proposed legislation will enable [transnational agri-food corporations](#) like Cargill and Walmart and home-grown billionaire capitalists like Gautam Adani and his agribusiness conglomerate and Mukesh Ambani and his Reliance retail chain to decide on what is to be cultivated, how much of it is to be cultivated within India and how it is to be produced and processed. From seed to field to plate, the corporate take-over of the food and agriculture chain will be complete.

Smallholder and marginal farmers will be further forced out and those remaining in the sector will be squeezed, working on contracts for market-dominating global seed and agrochemical suppliers, trader, distributors and retail concerns. Industrial agriculture will be the norm (with all the [devastating externalised health, social and environmental costs](#) that the model brings with it).

It may make some wonder who is actually determining policy in India when hundreds of millions of ordinary people could lose their livelihoods. Instead of pursuing a path of democratic development, the Indian government has chosen to submit to the regime of foreign finance, awaiting signals on how much it can spend. The imperatives of global capital require nation states to curb spending and roll back interventions and support mechanisms so that private investors can occupy the arena left open. And this is exactly what we are seeing in agriculture.

Foreign capital and sections of India’s billionaire class are working to displace the prevailing agrifood model and recast it in their own image. Tens of millions of small-scale and marginal farmers are already suffering economic distress and leaving farming as the sector

is [deliberately made financially non-viable](#) for them.

The Modi administration is fully on board with the World Bank's pro-corporate 'enabling the business of agriculture' and other such policies aimed at further incorporating nation states into the neoliberal fold, while equating neoliberal policies with 'development'. Other recent policies will also serve to accelerate current trends in Indian agriculture as we see with regard to the Karnataka Land Reform Act, which will make it easier for business to purchase and consolidate agricultural land (leading to landlessness and urban migration).

Both ongoing and proposed 'reforms' are ultimately about 'liberalising' agriculture to further ease the entrance of foreign agribusiness interests and serve the needs of India's home-grown billionaires. The Modi government is predictably facilitating what could eventually lead to a [trillion-dollar](#) (value of the Indian economy according to Modi's [former associates](#) at APCO Worldwide) corporate hijack of India three steps closer with the 'ordinances'.

By bringing the full force of liberalisation to the farm economy and in the process fundamentally restructuring Indian society (around 60% of the population still rely on agriculture for their livelihoods), any remnants of economic sovereignty and sovereign state status will be hollowed out and India will become a fully incorporated subsidiary of global capitalism and its fundamentally flawed and exploitative food regime.

Of course, many millions have already been displaced from the Indian countryside and have had to seek work in the cities. And if the coronavirus lockdown has indicated anything, it is that many of these 'migrant workers' have failed to gain a secure foothold and were compelled to return 'home' to their villages. Their lives are defined by low pay, insecurity and callous treatment by the government.

It raises the question: what does the future hold for the hundreds of millions of others who will be victims of the dispossessive policies of neoliberal capitalism?

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