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Farmers vs. the Indian state

Contrary to what Narendra Modi's government thinks, the huge open-air farmers' protests outside Delhi may not fizzle out

India's capital is under siege from more than two million farmers, who are currently gathered at the city's border in a massive protest that started two weeks ago. Old and young men, women and even children from farming families are camping on open roads in the bitter cold of a Delhi winter. They have abandoned their concerns about viral infection and come prepared for the long haul, bringing enough food to last for several months.

The movement began when several thousand farmers from the neighbouring states of Punjab and Haryana drove their tractors toward Delhi in the hope of publicising their grievances in the city's centre. The protests subsequently swelled as more farmers arrived from other states, and show no sign of dissipating. More than 500 farmers' organisations across India are supporting the protesters' demands and the farmers' calls for '*Bharat Bandh*,' or a national shutdown, on December 8 garnered widespread support from trade unions and several opposition parties.

The immediate trigger for the protests was the government's hasty enactment of three new farm laws, introduced during the Covid-19 pandemic without consulting stakeholders, like the farmers themselves, or state governments, which are responsible for agriculture under India's Constitution.

The last straw for Indian farmers

On the face of it, the laws appear harmless or even beneficial for farmers. They relax restrictions on the purchase and sale of farm produce, remove constraints on stockpiling under the 1955 Essential Commodities Act and enable contract farming based on written agreements. The government's declared purpose is to create 'an ecosystem where farmers and traders enjoy freedom of choice,' with 'competitive alternative trading channels' that 'promote efficient, transparent and barrier-free'

trade.

In recent years, collapsing demand in the Indian economy has kept prices for agricultural produce low.

India's farmers view the new legislation very differently. They fear that these 'modernising' laws will pave the way for the predatory corporate commercialisation of Indian agriculture, led by politically well-connected tycoons. Others argue that the laws effectively deregulate farm-produce transactions, contract farming and stock holding in ways that will harm farmers. Small and marginal farmers fear they will be the worst affected.

These measures were probably the proverbial last straw for many farmers, whose protests have become more vocal in recent years as threats to their livelihood have increased. True, farm incomes were declining continuously before Prime Minister Narendra Modi came to power in 2014. In fact, farmers played a crucial role in Modi's initial election triumph after he promised to double their incomes in five years by offering minimum support prices (MSPs) for their produce (sold to the public food-procurement agency) that were 50 per cent above total cultivation costs.

But Modi failed to keep that promise and farmers instead received prices that were even lower relative to their costs than they had been under the previous government. Several of Modi's other promises to the agriculture sector also turned out to be hollow, further eroding farmers' trust in his administration.

A death knell for public food-procurement

In recent years, collapsing demand in the Indian economy has kept prices for agricultural produce low. This was the result of policy blunders – two in particular – that destroyed many informal economic activities and damaged livelihoods: the November 2016 demonetisation initiative and the subsequent poorly conceived and implemented national goods and services tax.

The government did not use fiscal policy to revive employment and demand, so both incomes and consumption declined, keeping crop prices low. The pandemic subsequently made it much harder for farmers to grow produce and get it to market, while crop prices have remained well below 2019 levels.

Farmers suspect that the new laws will sound the death knell for the public food-procurement system, which, though imperfect, still provides them with some basic protection against the vagaries of the market. And they can see that crop prices in states like Bihar (which has already ended the monopoly of regulated market yards) fall well below the MSPs.

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One of the new laws aims to do away with 'middlemen' like commission agents. But farmers say they would rather interact with such people, and potentially develop a relationship that allows for some flexibility and concessions when required, than with faceless, intractable corporations that can use various means – such as 'quality control' during purchase – to deprive them of their due.

Modi's hubris?

To be sure, farmers must also worry about ecological constraints and soil degradation resulting from ever-greater reliance on chemical agriculture, scarce and contaminated water and climate change (reflected in adverse weather events and changing rainfall patterns). But the Modi government's policies, farmers fear, would worsen these problems.

So far, the government has sought to deal with the angry farmers much as it has done with all democratic protests. It initially ignored the demonstrators, before claiming that they were being misled and manipulated by malevolent opposition forces. The government then implied that the Sikh farmers were 'anti-nationals' and therefore 'terrorists,' and used brute force to quell peaceful protests. Pliant mainstream media and social media trolls have been unleashed in an effort to undermine the farmers and discredit their demands, just as they have aggressively attacked all dissenters over the past six years.

The government has refused to bend to the farmers' central demand of doing away with these laws. It apparently thinks the open-air protests may in time fizzle out, especially given the cold that has already claimed the lives of several demonstrators.

But this could be hubris. Around half of India's total workforce depends on agriculture,and two-thirds of the population (and 70 per cent of rural people) depend on farm incomes directly or indirectly. The protesting farmers' resolve, and their widespread public support, suggest that this time could be different.



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