

Impact of Neo-liberalization on Indian Agriculture

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Abstract:

Food security has been one of India's core policy objectives for several decades. India's strategy was initially based on a productivity approach, following the 1960 Green Revolution. This meant that food insecurity was understood as a problem of food insufficiency, and consequently, food security could only be achieved by increasing food production. The productivity approach was critiqued by Sen and Dreze in seminal works, such as Sen's 'Poverty and Famines' and Sen's and Dreze's 'Hunger and Public Action'. These proved that food sufficiency and hunger could coexist, and food insecurity was a problem of lack of access to food, rather than one of inadequate production. This lack of access to food, rather than its inadequacy, was the chief cause of food insecurity. India's adoption of a rights-based approach to combat food insecurity is based on such access-oriented logic, wherein an entitlement to food, or in other words, a legal right to access food, is recognized as justiciable against the state.

Key-words: Indian Agricultural, Right-to-food, Economic policy

Introduction:

In India, the efforts of the Right to Food Campaign, a network of organizations and individuals, led to the Supreme Court's recognition of the 'right to food' in 2003. This later culminated in the enactment of the National Food Security Act, 2013 ('the NFSA'), also known as the Right to Food Act. The extent of entitlement to food within this framework is limited. An entitlement to food can be satisfied by either direct access to food, wherein one grows or collects foods, or economic access to buy food from markets. The NFSA only covers the latter, by guaranteeing subsidized foods through India's Public Distribution System ('the PDS'). It does not engage with the question of direct access, that is, food security through farming itself. The present research paper focus impact of neo-liberal on Indian Agricultural

Objectives of study:

- To study of concept of Neo-liberal
- To study of impact of neo-liberal on Indian Agriculture.

Research Methodology:

The study is mainly based on secondary data. Secondary data have collected from the official records of concerned reference books, journals internet and newspapers.

Concept of Neo-liberal:

Neoliberalism is contemporarily used to refer to market-oriented reform policies such as "eliminating price controls, deregulating capital markets, lowering trade barriers" and reducing, especially through privatization and austerity, state influence in the economy.

Neoliberalism is the economic policy approach currently embraced by the EU. Neoliberalism is the new economic policy approach in liberal systems of modern capitalist societies, which has replaced the previous approach of embedded liberalism (Harvey, 2005).

Neoliberalism as "An approach to economic and social studies in which control of economic factors is shifted from the public sector to the private sector. Drawing upon principles of neoclassical economics, neoliberalism suggests that governments reduce deficit spending, limit subsidies, reform tax law to broaden the tax base, remove fixed exchange rates, open up markets to trade by limiting protectionism, privatize state-run businesses, allow private property and back deregulation."

Neoliberal Shift in Indian Agriculture

India's agrarian communities have been under myriad threats, such as mining, development projects, and industries. However, a renewed neoliberal drive within the agricultural sector has been underway for the past 5 years. This has accelerated the already ensuing process of corporatization and depeasantization. Many have welcomed some of these reforms, calling it the '1991 liberalization moment for agriculture'. This goes to show that agriculture is undoubtedly going through many changes that are intended to encourage corporate and private enterprises to operate within the agricultural space.

FCI Restructuring:

Shortly after the BJP government assumed power in 2014, the government created a High-Level Committee for restructuring the Food Corporation of India ('the FCI'), which is responsible for the procurement, storage, and distribution of food grains in India. It is this body that administers the NFSA. The recommendations of the High-Level Committee included the outsourcing of procurement and storage of food grains to private companies such that the creation of a market could reduce state expenditure. This is not unsurprising, firstly, because the FCI had been under a lot of criticism even prior to 2014. Secondly, the passing of the NFSA itself raised many questions about whether the FCI could effectively administer such a massive food security programme. Thirdly, the government has accepted most of the Committee's recommendations, including the suggestion to allow for more private party involvement.

Agricultural Marketing Changes:

Beyond the FCI, the 2019 Seed Bill for greater regulation of seeds was met with opposition by farmers on the ground that the Bill would allow more corporates to make inroads into the seed market, thereby diminishing the seed commons and peasant seeds. Another example is the Agricultural Produce Market Committee ('APMC') that controls agricultural marketing in India. It has undergone many changes since 2014, courtesy the digitisation drive through e-National Agricultural Market ('the e-NAM'). The e-NAM, as a replacement for government purchases of food grains at the APMC yards or *mandis*

(markets), ushers in private participation in a system that has historically been strictly controlled to protect small farmers against private buyers. The APMC Acts started undergoing a process of dismantling since 2015, culminating most recently in the Farm Acts of September 2020.

The Farm Acts of 2020 have brought about major reforms in agricultural marketing and storage, and have received widespread opposition from Indian farmers. These Acts were first passed in the form of ordinances in June 2020, while the country was coping with the COVID-19 pandemic. The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020 and The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020, allow farmers to sell their produce privately (outside APMC *mandis*), and across states directly without paying a state tax or fee, and facilitate contract farming. The Essential Commodities (Amendment) Bill, 2020 deregulates the production, storage, and sale of several commodities including food grains, pulses, and some oils. The government believes this will boost private investment in agriculture and rural infrastructure. The benefits will thereby be more competitive pricing and increased choices among farmers.

Farmers, on the other hand, are opposing these Acts as they suspect that they will increase corporate control, thereby rendering small farmers at the mercy of large businesses. Much of the debate around these Acts has revolved around the Minimum Support Price ('the MSP'), which is guaranteed by the government for listed farm produce. After these Acts come into force, there is no legislative guarantee that the MSP will still be provided by the government. Much like the FCI, the functioning of the APMC *mandis* and the provision of MSP to farmers are far from perfect. They are riddled with problems, yet these recent reforms are quintessential of this government's leaning towards greater privatization and financialization of agriculture.

The passing of the Farm Acts has been met by historic farmers' protests across the country, especially at the Sindhu border of New Delhi. Notwithstanding the technicalities of the Acts themselves, the protests have captured the attention of the nation and have brought to the fore farmers' issues and voices like never before. While arguing against the Acts, farmers have raised their concerns against corporate agriculture, the moving out of the state from agricultural marketing and regulation, and the diminution of farmers' control over food systems.

Neo-liberalization Reducing Farmers' Direct Access to Food:

The effect of neo-liberalization on farmers' right to food can only be analyzed if one takes a step back to understand the broader agricultural context within which this right is embedded. As stated above, India's most food insecure people are those who work on farms. This is because of a prevailing environment of severe rural and agrarian distress across most parts of India. Deep-rooted issues of farmer indebtedness and low profitability plague the agricultural sector, and the rural economy at large. In November 2018, thousands of farmers marched to New Delhi to protest. This was preceded by many protests in other cities, such as the 'Long March' of 12 March 2018 in Mumbai, the 2017 *dharna* (non-violent sit-in protest) of Tamil farmers in Delhi, and the protests met with police violence leading to the death of 5

farmers in Mandasur, Madhya Pradesh. These protests, which sought government intervention in the ongoing distress, demonstrate the seriousness of agrarian and rural issues.

Low profitability in agriculture has meant that farmers cannot purchase sufficient quantities of nutritious food. The NFSA has therefore stepped in to provide food to those who lack economic access to it. However, India's current neoliberal shift in agriculture will, on the one hand, 'crowd out' many small and marginal farmers, and on the other hand will diminish the choices available to the remaining farmers to grow a wide variety of crops. Reddy and Mishra further point out that the penetration and growth of capitalist relations in agriculture will reduce small farmers' bargaining power. Walker argues that neoliberalism will usher in predatory growth and shape markets to only respond to the demands of urban India. Singh and others have shown how past neoliberal policies, in sectors allied to agriculture have, in fact, precipitated the prevailing agrarian crisis.

Respecting Farmers' Food Sovereignty:

The background context of agrarian distress, coupled with the current wave of reforms, has dire consequences on the right to food of farmers. Farmers, who are beneficiaries under the NFSA, may qualify as 'food secure', as they are recipients of free or subsidized food. Yet, reforms that will slowly force them out of farming, or end up rearranging rural power dynamics against the interests of the agricultural peasantry, will disempower farmers such that they can never be 'food sovereign'. Food sovereignty is a concept developed by La Via Campesina (a grassroots movement comprising farmers' organizations from all over the world) as an alternative to neoliberal agricultural policies. The concept was discussed internationally during the World Food Summit in 1996 and has become a major issue of the international agricultural debate since then. At its core, food sovereignty is the right of peoples to define their own agricultural and food policy. It includes, among many different aspects- prioritizing local agricultural production in order to feed the people; access of peasants and landless people to land, water, seeds, and credit; the right of farmers and peasants to produce their own food; and, the right of people to take part in agricultural policy choices such as the right of countries to reject genetically modified organisms ('GMO's) and guard against low-priced agricultural imports.

Food sovereignty's critique of a rights-based framing of food security provides useful insights into the Indian scenario. A right to food framing ignores power asymmetries that are inherent among those who produce, distribute, and consume food. As mentioned above, one's right to food can be satisfied either through direct access to food or through economic access. Agarwal likewise argues that the right to food entails "an inherent conflict" between consumers' right to "decide what they want to eat, and how and by whom it is produced" and rights of smallholder producers to decide what they want to grow. Consumers may as well prefer the low cost of imported foods, or GMOs, which would constitute an exercise of their right to food. Therefore, the normative construction of this right betrays smallholder farmer or agricultural peasants, by failing to integrate their special positions within the rights narrative.

The conflation of farmers with all other holders of the right to food, firstly, reduces the conception of agriculture to a mere occupation, rather than *the* source of food; and secondly, that farmers, much like many other consumers, need only have economic agency

(which could be satisfied by farming or any alternative income sources) to realize their right to food. In India, a slew of agricultural policies that disproportionately benefit large farmers and encourage agribusinesses over subsistence farming have hastened farmers' exit from farming into waged labour. Farmers have hence not been able to preserve farm households and farming in a way they would wish to. The consistent mention of small farm sizes and fragmented landholdings as the 'major cause of inefficiency' is to say, in other words, that by reducing the number of farmers, India could solve the development problem in agriculture. Collier has argued that small farmers are idealized and romanticized unnecessarily. He states that peasant farmers would happily trade their position for a low-wage factory job, as the latter is economically more attractive.

Such an argument shows precisely why there is a need to place the rights of farmers at a higher pedestal than a general right to food. The connection farmers have with food security has been obscured by the right to food being understood only as an economic entitlement. There is a need to push the narrative to secure a direct production entitlement for small and marginal farmers. Food sovereignty advocates, while citing the inadequacies of the food security discourse, have shown how local small-scale food systems are sustainable, nourishing, and empowering for farmers. India's neoliberal reforms encourage large-scale industrial farming controlled by corporations. Such a trend will undermine numerous local food systems and may exacerbate, or even create, problems such as high food prices, farmer impoverishment, biodiversity loss, and reduced climate change resilience. The corporatization of agriculture will see corporations racing to control other components of the food systems such as water, seeds, land and markets. India's rights-based food security regime does not reflect food sovereignty principles. A neoliberal shift will render a vast majority of farmers unable to develop localized food systems or exercise control over such systems by growing food that is healthy, culturally appropriate, and environmentally sustainable.

Farmers' *A Priori* Right to Food:

There is a need to imagine a special status for farmers in food security and right to food discourses. Thompson, while evaluating the *a priori* standing of farmers over the right to food, says that the attractions towards being part of the wage labour workforce are higher in cultures where farming is viewed with little or no social prestige, compared to cultures where small farmers are venerated as resourceful and self-reliant. The negative image associated with farming and rural life generally constructs city life as a step up in the social ladder. In a country, where the switch from farming to waged labour (either in the city or elsewhere) is not a free choice, food security through farming, fishing, food collection, and other types of food production needs to be envisioned beyond mere economic agency.

In India, there is a history of venerating farmers as food providers, as well as a rich history of peasantries and subaltern conflict. Several farmers' movements, mobilizations, and recent protests resonate many of these ideas. It is social movements that shape and reshape human rights. The right to food needs to be reinterpreted in favour of the special position farmers hold in food systems. Neo-liberalization within food and agriculture diminishes the choices available to farmers, thereby undermining their direct food entitlements. Resultantly, farmers are relegated to a dependency on either economic entitlements or on the state.

Linkages between food security and agricultural policymaking need to be strengthened, such that more instances of farmer-led actions towards hunger eradication and malnutrition can emerge. This can lead to the realization of the right to food for all.

Conclusion

This article has argued that India's right-to-food-based food security framework does not sufficiently address the special status of farmers. On the one hand, farmers and those associated with agriculture are the most vulnerable sections from a food security perspective. On the other hand, the only way India's food security architecture devises a solution for this depravity is by distributing free/subsidized food. While food distribution is a vital piece of state support in combating hunger, the deeper issue of why farmers are unable to directly feed themselves remains unanswered. The recent neoliberal shift in agriculture will only aggravate the ongoing malaise by pushing more farmers away from farming, and reshaping India's food systems away from localized, small-scale, and sustainable systems. Such a change will undermine the right to food of farmers, who ought to enjoy an *a priori* right to food that is not merely reduced to an economic entitlement to food. The current conception of the right to food does not incorporate principles of food sovereignty and as such, farmers' legally recognized rights never quite become rights.

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