# SOWING TROUBLE

Contextualizing India's Farm laws against the backdrop of World Bank and IMF

Centre for Financial Accountability | Working Groups on IFIs



# Sowing Trouble: Contextualizing India's Farm Laws against the backdrop of World Bank and IMF

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#### **Preface**

This booklet is a result of webinars under the World Without World Bank campaign that brings together activists, academicians and other civil society groups to protest, respond to the World Bank's neoliberal reforms. In 2020, the Working Group on International Financial Institutions started this campaign during the World Bank Spring Annual General meetings where similar institutions laud themselves for the achievement of doling out billions of dollars for supporting economies through the pandemic and will set the course of direction for 'recovery'. The idea behind this campaign was to counter and expose the narrative that the Bank keeps pushing behind with no intent of inclusive and sustainable support for countries and people battling marginalization. These meetings happen twice a year attended by an entourage of self-applauding stakeholders.

Despite the pandemic and rather using the pandemic as an opportunity, the World Bank and IMF have continued their support for neoliberal reforms through development policy loans for the pandemic support. Last year, the Bank pushed for privatization of the banking sector, provided support for the new farm laws, agricultural reforms, electricity reforms, privatization, of course, of sea, rivers, the push for reforms in the health and education sector. The World Bank continues to grow its influence in India and through state partnerships impacting local governance structures, they continue to venture into new and what seemed to be more lucrative territories with the approach of maximizing finance for development, building connections with private financial entities, making finance more complex and more difficult to trace.

Under the banner of 'World Without World Bank', numerous civil society organizations in India come together to try and expose the bank for what it really is from what it claims to be and to understand the wide-ranging impacts of World Bank financing on India's political economy. The idea is to make international finance an anchor to some of these debates and make people's voices heard.

The World Bank has often lauded India's attempts and success at amending labour protection laws, diluting regulations, removing hurdles to investment, and pushing for market friendly reforms. According to the World Bank Lending Report, India has easily been the largest recipient of its loans in the history of the institution and the conditions for the loans have methodically been to shift hundreds and millions out of agriculture in other words, making it unsustainable. It has dismantled the state and community owned seed security system and seed banks. It has reduced subsidies; it has toppled systems of practice that ensured household level food security. It has incentivized cash crops that earn foreign exchange. This has resulted

in massive displacement, change in the social fabric of our societies and has benefited the powerful corporations.

The Farm Laws passed by the Indian government in September 2020 kept the farmer's protest alive because the demands remained unmet. The farm bills were only repealed in November 2021. These bills were flawed, as has been touted by a lot of farmers' organizations and would have been detrimental to farmers. These bills did not take into the account the realities of Indian agriculture and presented a dismal picture for food security for India. The big battle is won but the war on this ideology is long as the government might still table the seed law in the upcoming session of the parliament. In our attempt to understand some of these new developments in the backdrop of international financial institutions, we present these pieces culled out of two separate talks given by Dr. Sagari Ramdas and Dr. Vandana Shiva. These pieces were collated in April 2021 when India was on the cusp of the deadly second wave of the COVID while the farmers' movement was growing strong and India was witnessing one of the biggest social movements in recent times. These perspectives emanate from the years of activism and politics that these two individuals have been part of to make an attempt at understanding the current landscape of the agriculture sector in the context of the World Bank and its influence on what we grow, how we grow and what we eat.

Often it is easy to formulate policy recommendations that are neat on paper, present technocratic solutions to very nuanced problems that plague Indian agriculture. However, in a country where most farmers fall off the grid in definitional enquiry, the need to go multiple steps ahead is even more imminent. These contentious farm bills are about agricultural markets and agricultural supply chains and about tone-deaf solutionism. Through these edited transcripts, we hope that our readers get a sense of the various issues and perspectives that remain important to the understanding of the larger debates around the farm bill.

Joe Athialy
Centre for Financial Accountability

#### Introduction

When India was in midst of the pandemic and a quivering economy, the Government of India passed the three ordinances essentially reorienting the way agricultural markets are regulated in India and pushing in the neoliberal reforms with an explicit corporate bias. Come September 2020, the Monsoon Session of Parliament, and these ordinances become legislative bills passed by the parliament by a voice vote without any substantial let alone a nuanced deliberation about the wide-ranging ramifications of the three bills on India's farming population. The little discussion that took place was vastly inadequate with no explicit involvement of states to be seen in the process. On 27th September 2020, the bills on receiving the presidential assent were notified in the gazette and since then the contentions, protests and refutations around the three farm bills have only grown manifolds.

The three bills are the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, the Farmers (Empowerment and Protection) Agreement of Price Assurance and Farm Services Act, and the Essential Commodities (Amendment) Act. Touted by the government as the reform that India needs, these bills as per the official plans 'will open up new avenues for the farmers to increase income'. However, to understand what has transpired in these bills, one needs to read the three bills together. One lifts up the restriction on sale and purchase of farm produce, another relaxes stocking restrictions while the third opens up the way for contract farming based on written agreements. All in all these three bills share a vision for Indian agriculture where there are more opportunities for private players or big corporations to easily get into the agricultural supply chains in order to bring more efficiency downstream. This vision is as simplistic as it sounds, however, the realities of Indian agriculture are far more complex to be handled by a simple downstream-upstream argument. These three bills and the protests around it present a very complex set of issues that face the Indian agricultural markets.

The issues are complex ranging from the said and the unsaid in the official documents to the deregulation and retraction of the state apparatus from a major sector in the economy and further to the invitation to the pythonic corporations to exploit the smallholders. These debates become especially important when many nations in the Global South are undergoing a reevaluation of what agricultural sustainability means and what is the role of private players in controlling the supply chains.

Agricultural markets have never been an easy catch even for the academic literature and have been among those issues where the most uncanny associations find agreement and the most obvious fits disagree. These issues are complex and beyond the ambit of this introduction but all in all these three bills collectively try to usher a new era of hurdle-free entry to the various

stakeholders in the agri-supply chains, so that farmers do not have to rely on traditional Agricultural Produce & Livestock Market Committees (APMCs). Caveat being that these bills talk about making things overwhelmingly hassle free for the former than the latter. Promises like "ecosystem where farmers and traders enjoy freedom of choice", "competitive alternative trading channels" that "promote efficient, transparent and barrier-free inter-State and intra-State outside APMC", these bills present a rosy picture where many have termed this process as the 1991 moment for Indian agriculture.

These three bills indeed change the rules of the game drastically. What is important to ask is that do we need these reforms given the fundamental structure and composition of Indian agriculture. The promotion of new trade areas and electronic platforms risk a reference point for the price setting mechanism and leaves a lot to the bargaining capacity of the farmers. This, to say the least, is a perverse way to provide "freedom of choice" to millions of smallholders who lack this capacity. Another problematic thread is the complete absence of regulation or regulatory oversight in this entire process and more so as the first point of sale. And given the framework proposed, multiple regulatory systems are anyway a nightmare. With a tricky dispute resolution mechanism in sight, the responsibility rests entirely on the farmers.

Going by the core premise behind the reforms drafted in the bill, it is rather naive to think that efficiency gains upstream (via lower cost) or downstream (in the form of high price for the produce) will help the private players to share their profits with the farmers. If this was the case, the 1991 reform of the economy wouldn't have kept us at 82.3 score in the 2021 Gini index.

Truth be told, the issues that these three bills represent are complex for a country's preanalytic vision of the economy. Even though these three bills are repealed with effect from November 2021, the pressures from international finance actors in terms of conditionalities and nudge towards international 'neoliberal' good practises, entangles the issue constantly. This booklet contains two sets of perspectives on how these bills are part of the larger vision of international financial institutions of what country systems should strive for.

Sonal Raghuvanshi and Anuradha Munshi Working Group on IFIs

## Historical and current role of the World Bank and IMF in pushing agricultural reforms and the new farm laws in India

Dr. Vandana Shiva

Dr. Vandana Shiva is the founder of Navdanya, a movement for biodiversity conservation and farmers' rights. She is also the founder and director of the Research Foundation for Science, Technology and Natural Resource Policy. Shiva fights for changes in the practice and paradigms of agriculture and food. She is a Right Livelihood and Sydney Peace Prize awardee.

Many thanks to the Centre for Financial Accountability for organizing this extremely timely convening. We have to have a world without the World Bank, otherwise, we will not have a world. This is what I've learned after all these decades of studying the World Bank and I never chose to study the World Bank. As an ecologist, I threw my weight behind communities fighting ecological destruction, and behind every ecological destruction I found the World Bank.

#### The beginnings

Since the Green Revolution, every non-sustainable agricultural project has been financed by the World Bank. So let's remember how the World Bank came to be? Why does it exist? When was it born? We had been colonized. And we know that during British colonialism USD 45 trillion of wealth was transferred from India to England. And there were all kinds of systems that allowed this transfer to happen. We, the richest country, were left poor and England became the seat of the Empire. In 1942, you might remember, we had the Quit India movement and it was becoming very clear that countries like India were going to be free, so the money men joined together. And I was in the headquarters in line for the 50th anniversary of the Bretton Woods institutions, which included the World Bank, IMF, and GATT and the first day's cover was 'the money men of the world meet'. So the money men got together and said, "oh my gosh, these (the underdeveloped and developing world) guys have woken up against colonialism. So how do we continue their colonization in an age of political independence? The World Bank is that tool of colonization, as are GATT and WTO, and the IMF, which used to be in the front on structural adjustment and has kind of taken a second seat now.

Even the word 'development' moved from biology to economy through the World Bank. Here, we were becoming free, we said, "you know, you've drained our wealth, we want justice, we want repatriation", and the World Bank invented the word development as an economic term to call the former colonies, underdeveloped, and through that create the new cycle of

colonization and extraction. In the first few years, the World Bank and the IMF were doing reconstruction in Europe after the war. But between 1960 to 2018, a new study says, there's been a transfer of wealth from the global south of \$152 trillion. So that's how much is being extracted through the World Bank mechanisms and other financial institutions. And of course, these institutions become cleverer and more sophisticated in their doublespeak.

So here I present you with the context. The Bretton Woods Institutions began in 1944 and begin the extraction, through their extractive mechanism, they are the new rulers. Even though they are counted as a part of the UN system, they're not a UN system, because, in the UN system, every country has an equal vote. There's one country, one vote. In the IMF and the World Bank, it's \$1 a vote, and therefore the US controls these institutions. But who controls the US? US agribusiness, US financial institutions, US billionaires now, and the World Bank is not just the front, but it's the conditionality measure. So the recent farm laws are not new laws, they're the World Bank laws, they are World Bank conditionalities.

#### Vocabulary politics, real agendas, and national implications

In 1991, India went through structural adjustment. And at that time, the language was that of LPG, you might remember liberalization, privatization, and globalization. And for agriculture, I have the document somewhere in my book or papers of the agricultural sector. I can present reports after reports like 'Globalization and Agriculture', 'Yoke to death', on how this system will push farmers to suicide, death, and distress. This is what the World Bank demands. And the current laws are just an implementation of it. Liberalizing fertilizer imports, removing the land ceiling, (and I'm so happy today, they concluded the 'Mitti Satyagrah' as part of the farmer's movement because land grab is the big issue, has always been from 1991 onwards, since the time of liberalization), removing subsidies on irrigation, electricity credit and creating conditions to facilitate the trading of canal irrigation, privatization of water, etc. I had to fight the Delhi water privatization, which also was imposed by the World Bank, where they gave USD 25 million, of which most went to PriceWaterhouseCoopers, which then wrote the report, Degrémont (Suez) came in and we have this amazing satyagraha for the river Ganga, emphasising that our mother Ganga is not for sale. We stopped that privatization. I'm extremely happy that about 90% of all privatizations driven by the World Bank and IMF in water have been stalled.

#### The new farm laws - reforms or new conditionalities

The World Bank in 1991 demanded deregulating wheat, rice, sugarcane, cotton, and edible oil and oil seeds in streets and markets. This is part of the law, dismantling the food security

system. That's why the FCI Bachao Divas is so important because they've been wanting to dismantle it since 1991. And I pay tribute to every movement that from 1991 to this date has successfully stopped the dismantling of FCI. We should be cheering for this and we should stop talking about them as 'three farm laws'. We should talk about the World Bank conditionalities and the World Bank laws. These are the World Bank laws, they are not laws written by a sovereign country.

Then they go on to say 'remove controls on markets, traders process subsidies to cooperatives', exactly what the new farm laws are about. Abolishing the Essential Commodities Act, 1991 (the third of the laws), then abolishing the ban on futures trading, abolishing inventory controls, (again, part of the laws), abolishing selective credit controls, treating farmers cooperatives as equal to the private sector (this was the death of cooperatives). And then the creation of Farmer Producer Organizations (FPOs), which are really the baseline for collecting and externalizing costs. A lot of people think that the term called zero budget is about input costs. No, zero budget is about agri-business having no cost because they farmed it out to the farmers. And notice the quadriges work for corporations. It is important to look at how the FPOs have been the first link in the new liberalized system. I think we should also stop using the term reform for this, which just talks about it as the new conditionalities.

I've been involved with the Chipko Movement. And then suddenly in 1981, I find Eucalyptus all over Bangalore, in Karnataka, I was at the Indian Institute of Management at that time and before that at the Indian Institute of Science, and I did the study, and very slogan of the Chipko movement was turned it into social forestry slogan, and it was actually commercial planting of trees on farmland. We stopped it. But the interesting thing was the drafting of the proposals of this kind, it was pretended that the state governments were behind it but it was the World Bank drafting. And all social forestry projects had identical language in every state. In 1984, the Punjab crisis exploded. And I did a book then, called "The Violence of the Green Revolution", where I found the role of the World Bank in pushing the Green Revolution, and not just pushing the Green Revolution, but stealing our seeds. When Dr. R.H. Richharia, my amazing teacher said, "this is India's heritage and we will not give up our seeds"; he was removed as the Director of the Cuttack Rice Research Institute. Claude Alvares did a brilliant essay, "The great gene robbery" at that time, you'll find the details therein. The CGIAR (Consultative Group for International Agricultural Research) Institutes now have all the farmer's seeds of the world. And they then imposed at that point in time (during the Green Revolution), more varieties, which is the entire reason for Punjab's problems.

Farmers of Punjab never grew rice; rice is grown all over the country, but not in Punjab. It was imposed through the Green Revolution, through the World Bank conditionalities, through

subsidies, through the entire system, that the farmers of Punjab are fighting. They said when you can't choose what you grow, you can't choose how you grow it, you can't choose what price you will sell it at, and you can't choose when the water from your rivers will flow to your land; you are living in slavery. In 1984, they were fighting against slavery, and even today they're fighting against slavery. This is the slavery from 1944 to the current times. The World Bank, IMF, and the international financial institutions have been the driving force behind this slavery.

The World Bank sponsored a book called "India's Water Economy: Bracing for a Turbulent Future". So, I did a report called, "Financing the Water Crisis". Every place where there was a crisis of water, the World Bank had financed it - Punjab water famine, the World Bank, forcing farmers to sow chemical rice, draining the groundwater. Maharashtra never grew sugarcane but the World Bank forced them to do so. I was invited at that time, in the 80s, by the Chief Minister of Maharashtra, to do a study on Maharashtra's's water crisis. It didn't take too long to find out. The World Bank forced the growing of sugarcane, because that is where they get the returns on investment. Why in the world will my government pay interest to the World Bank when I am growing ragi on my land to feed my family? So the World Bank forces cash crops which force farmers to extract more and more from the soil, from the water, and from themselves and hence, the debt crisis. In 1989, they wrote a new seed policy, forcing the allowing of the Monsantos, into India. Till then we had certification laws that were sound and introduced truthful labeling. But now Monsanto could decide what the laws said, and they never said that these were genetically engineered seeds, farmers were trapped.

But 2020 is a new watershed and everyone's trying to recover. The problem is that for the World Bank and the World Economic Forum, with its great reset and the other philanthropists like Bill Gates, what we are seeing in the current times is the next level of colonization. Not by choice, but I've had to go through the rubbish book that this billionaire wrote, 'How to avoid a climate disaster?'. I've done a book called "Oneness versus the 1%: Shattering Illusions, Seeding Freedom", then we did a report called "Gates to a Global Empire" recently, and three days ago, we did a new report on the fake solutions of Bill Gates to the climate crisis. I'll just give you two images from this book. So Bill Gates thinks animals are the problem. He wants us to get rid of the plow as they are primitive technologies and that bullocks and cows are causing climate change, not industrial farming. But the cow is wrong because it has four stomachs, and the four stomachs create methane. That's the level of nonsense that is guiding the world's decision-making. And then, I wrote a book called "Soil, not oil" where I showed that 50% of all greenhouse gases come from an industrial system of production, invading into the forest and destroying forests like the Amazon and the Indonesian rainforests, for GM soybean, palm oil, processing, transporting, packaging food, and then wasting it, it's 50%. A key part of it is

synthetic fertilizer, which uses fossil fuels for the manufacture. But nitrogen fertilizers emit nitrous oxide, a greenhouse gas. So here is a solution from the most brilliant man standing in front of a fertilizer plant, saying I'm happier than I look. And this will be the future of a solution to climate change. I think we need to start looking into the future they are planning.

#### Philanthropists, corporates and the World Bank

For the purpose of this convening, I took every word in Bill Gates' books, as well as in our reports. For every project of Bill Gates the financing is through the World Bank. Let me give you three examples. Beginning of last year, Gates announced that there will be only one agriculture, not rice in the rice-growing areas and millets in the drylands and pastoralism where it's even drier - one agriculture, one CGIAR. The World Bank created the CGIAR and now through public-private partnerships, all of the 15 CGIAR are being put into the hands of the Gates, the billionaires, and the poison cartel. So they have all the seeds of the world and all the research of the world and as the example of eerie shows, they will now want to force-feed golden rice and buy fortified foods.

The most important part of all of this, of one agriculture and one CGIAR, is that it is all based on the image of digital agriculture solving all the problems. But one can only do surveillance on a monoculture farm on a very large scale. One can only reduce pesticides where they are already being used because if one had to allow the soil to be organic, and have its own fertility and biodiversity to control the pest, there is no role for other chemical external inputs or big data external inputs or surveillance systems.

Look at digital agriculture, the World Bank is financing it. Where are we at now and where do they want to take us? - Into a fake food system. I've had to deal with the World Bank calling our decentralized markets unorganized, calling our democratic markets fragmented. You know, for them, the Mandis are fragmented, the creative vocabulary yet again.

We stopped Walmart's entry into retail. But the World Bank is now pushing, in a very big way, the new idea that modernization means global supply chains, digital agriculture, and a handful of commodities being grown. Just a few months ago, our farmers resisted the FSSAI norms on organic farming, which we had fought to exclude farmers selling directly this compulsory certification. There's an amendment that was made saying aggregators like Amazon can buy chemicals, but label organic and they don't need certification.

#### Local inequalities, international solidarity - in lieu of a conclusion

1998 was the year when the gatekeepers put conditionalities and bans on indigenous oil and at that time we did the 'Sarson Satyagraha'. A group of women came to me and said, "Bring our mustard back, we can't eat soya and we can't eat food cooked on palm oil." The reality remains that soya and palm oil has invaded our diets, and this is both because of the global subsidies and dumping and because of the national subsidies. I remember that at that time the global subsidies were USD190/ton of soya and our government was giving Rs15/kg to make it a cheap and a viable option, and hence making it go into the PDS system.

We have a history of inequality, oppression, and domination. But we need to think of the action that will both fight the giant oppressor, of whom we are all victims while getting rid of the inequalities and that's why the freedom movement is so important. Every fight against the Empire can be a creative undoing of the injustice with it.

This year we are celebrating 100 years of Dharam Pal who worked on the history and archives of the India office libraries, documenting from the British, the India they saw when they arrived - the Dalits were all in school, the girls were all in school, as he writes in his lovely book called 'The Speaking Tree'. More importantly, what are today's lower-castes were actually village service providers. The village hired them - the blacksmiths, the carpenters, and the collective labor of the village managed the commons. I would suggest you all read his other special book, 'Science and Technology in India in the 18th century' where he mentions that the smallpox variation was taken from India, presented to the Royal Society, and then our systems were made illegal just like our seeds are taken away and GMOs are forced on us.

When liberalization squeezes the resources, the worst victims are the Dalits. And sadly, people often think that liberalization will undo local inequality. No, it makes for higher violence against women, against Dalits. So, we need to be very creative to see what is our action that fights the Empire and undoes our indigenous inequalities and creates new justices. So we organize as one society free of domination, exploitation, and inequality.

It is not just an issue of farmers but also the issue of the consumers. We won during the time of Mustard Satyagrah<sup>1</sup> because it was about the destruction of the livelihoods of farmers and the right to eat healthy food and there is enough science on how soya and palm are not healthy. Hence, the World Bank cannot be fought nationally but has to be fought with global solidarity. Our food sovereignty has to connect small farmers, small distributors, and local markets and

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<sup>&</sup>lt;sup>1</sup> https://seedfreedom.info/campaign/sarson-satyagraha-civil-disobedience-against-gmo-mustard/

consumers with consciousness who want to be part of the political movement for food sovereignty because it is in their interest to be participants in a just, fair, and truly sustainable system.

We have had the worst of British colonialism, all of the worst of the last few decades of development destruction. So to me, this is at the heart of our challenge, that deliberately institutions have been created, that cannot be taken to court, cannot be held accountable by parliaments, therefore we have to create new instruments of reclaiming our rights.

On questions of holding the World Bank legally responsible for what they have done and what they are currently doing, well, the first thought that comes to my mind is that you know, the farmers' movement is a very sustained movement. And I think we have to show that the laws they're fighting against are not created by the current government, they were framed by the World Bank as part of its conditionalities. So if we were to link the current farmers' protests to the entire system as it has evolved from 1991, the world currents are not difficult to decipher or draw parallels from. There's a lot of literature on how the Green Revolution in Africa has created more hunger. In all these years of activism, I have realized that they make you look at philanthropy to create the conditionalities through World Bank and IMF and international financial institutions to basically make money.

So people like Gates make you look at philanthropy with the doublespeak being that they give us aid. The reality is, they extract money. They're moneylenders and they are locking us into a mal-development path of huge destruction. I think if you were to make the links and also bring together the small farmers, consumer groups in the United States and add Gates and his philanthropic imperialism, the World Economic Forum and its great reset, the agribusinesses, the poison cartel, the Bayers and the Syngentas, Pepsis, cokes and the processing giants, Amazon - you will know who these aggregators are because their ships get stuck in the Suez. I think today's discussion can be a very good beginning, but don't do it in India alone; they are integrated globally. Every time we have won against the World Bank, we have fought it globally.

If we hadn't created a global movement, identifying all the damages of the World Bank and then showing the pattern, the impact would have been very different. If food, that Henry Kissinger designed to be a weapon, today this weapon is not just used against us but also against the US citizen. So turn this into global solidarity around food, around what I call 'anna swaraj and beej swaraj'. Our freedom movement can be our guide as we fight the empire again. The roots of the current crisis, including the framing of the current laws, are rooted in colonialism, globalization - the ecological emergency, farmer's distress, food, hunger, and

disease epidemics are all interconnected. So let's pull all this together and use that precedence in the United States to build a movement.

Tom Vilsack, who is the secretary of agriculture in the Biden administration and also held the position in the Obama administration was once asked at a conference if he could cut down agribusiness subsidies to increase food support so that people wouldn't go hungry? He said, no, proclaiming that most of the people who are pretending to be hungry, can afford to buy food, and agribusiness subsidies will never stop. Vilsack himself is doing exactly to American farmers, what's being done here, and I think building this connection is important. The Permanent Peoples' Tribunal on World Bank and IMF (West Berlin, 1988)<sup>2</sup> was powerful because it brought the world as the witness. Prepare 2020 - a global tribunal, but with a legal precedent in the United States. There are many brilliant lawyers who have fought the Bayers and Monsantos and they would be available because they are totally awake to the consolidation of power.

In 1988, I was invited to a tribunal in Berlin where the World Bank was tried. It was an amazing tribunal, their language changed. I think the time has come for those who are working on the 'World without the World Bank' campaign, give yourself one year, give yourself two years, organize a tribunal on the World Bank's crimes against nature and humanity.

Thank you!

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<sup>&</sup>lt;sup>2</sup> https://pubmed.ncbi.nlm.nih.gov/2332266/

### Farm laws, global agri-businesses, and food sovereignty

Dr. Sagari Ramdas

Dr. Sagari Ramdas is a Co-Director of ANTHRA, an organization of women veterinary scientists that works on issues of livestock development and is also associated with the Food Sovereignty Alliance. She has worked with rural and adivasi communities as a field veterinarian, trainer and researcher on livestock and peoples livelihoods. Her research locates the intersections of gender, caste and class dynamics of Indigenous Knowledge Systems and Livestock Production.

Thanks to the Center for Financial Accountability for this convening.

Jai Bhim! Jai Adivasi! Jai Bhutalli!

It is indeed an important occasion for us to be meeting. During this Corona lockdown, during the crisis, during the pandemic, we had farm laws being passed, labor laws being passed and consistent attacks on human rights defenders. In the midst of all of this, slaughter laws were enacted in the southern parts of the country, which is a major barrier to the growing and selling of animals, where thus far we have been able to resist and not have these kinds of strictures. Now farmers cannot freely sell and buy their animals because of the fear of being lynched, in Karnataka where dairy farming is really anchored by dairy cows. It's the second-largest cooperative-based farming state in India, where dairy farming is jeopardised by the draconian slaughter law, which completely bans a farmer from selling their buffaloes or male cattle for slaughter.

Around the same time, the government went even further south to the islands of Lakshadweep. And they brought in an ordinance completely banning beef consumption and a ban on the slaughter of cattle. And you know, beef is the most important protein out there in Lakshadweep, with the majority of the population who are beef eaters. And for us at the Food Sovereignty Alliance<sup>3</sup>, we were constantly asking ourselves 'what is the economic basis to this ideological fascist intention of banning slaughter'. Because if we look back in history, every single fascist government has had an economic underpinning to decisions that are driven by fascist ideology, in the case of India, the fascist ideology is Brahmanism that is driving these

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<sup>&</sup>lt;sup>3</sup> Economic Rationale of Slaughter and Beef Ban in Karnataka

decisions. And it was in that search that we chanced upon this report by the High-Level Expert Group<sup>4</sup> on Agriculture Exports appointed by the 15th Finance Commission<sup>5</sup> where they are clearly talking about bovine exports. It's not just about buffalo exports. Bovines mean cows, cattle, bullocks, buffaloes, you name it. And they're talking about how it all converges. The state is exporting these animals, the Corporates are going to come in to capture the export; your slaughter laws are going to ensure that the entire basis of the informal economy, of the ways in which animals are traded, is going to be destroyed, because people will be fearful to trade in animals due to the threat of being lynched if suspected of trading in animals for slaughter. And so you have this convergence of Brahmanism and Corporates, and the argument underpinning it all is how we have a surplus economy of food. And when we delve further, you find in this HLEG report the entire blueprint of why the farm laws and what they are intended to facilitate.

#### The reality of self-sufficiency

The intent and the argument being made is that we are today a food surplus economy, we are self-sufficient, and the surplus food needs to be exported. The exports now have to be the basis around which we formulate our plans and exports are not going to be based on first you meet your domestic needs, and then you export. But exports are going to define how we produce, sell, distribute, and how we conduct the entire supply chain from production down to plate. The farm laws are going to be the basis of facilitating research and development, huge infrastructure, and structural changes, to make this happen. Because it is about 'organising' and setting into place everything which is currently fragmented, informal, unorganized, all under the devastating premise that we are self-sufficient in food. India continues to be a land, which has the highest population of food-insecure citizens and people in the world with the highest population of livelihood insecurity, nutritional insecurity. Our recent NHFS5 reinforces the fact we have 90% of Indian women who are anemic. We have children whose growth and nutritional parameters are falling behind. Given these contexts, it is a criminal act to suggest that we change our entire system of food production, and found it around a proposal that we have surplus food production.

#### The unrealistic recommendations

Sometime in November last year, again, during the pandemic, the 15th Finance Commission came out with its report and then a final set of recommendations<sup>6</sup>. These are important

<sup>&</sup>lt;sup>4</sup> https://pib.gov.in/Pr<u>essreleaseshare.aspx?PRID=1642591</u>

<sup>&</sup>lt;sup>5</sup>https://fincomindia.nic.in/writereaddata/html en files/fincom15/StudyReports/HLEG%20Report Agriculture vF. pdf

<sup>&</sup>lt;sup>6</sup>https://fincomindia.nic.in/writereaddata/html en files/fincom15/Reports/XVFC%20VOL%20I%20Main%20Report <a href="https://fincomindia.nic.in/writereaddata/html">https://fincomindia.nic.in/writereaddata/html</a> en files/fincom15/Reports/XVFC%20VOL%20I%20Main%20Reports/Allandata/html</a> en files/fincom15/Reports/Allandata/html</a> en files/fincom15/Reports/Allandata/html</

because it defines how the government in future is going to organize its financial system. Consider the case where the aim is to double the farmers' income. The big argument is that if you have to double farmers' incomes, the only way to do that is to double the exports that we are currently engaged in. And so they have four areas that are planned.

First, finalize and legalize the land lease reforms. Second, further privatization of water and the fact that you've thus far had subsidies to facilitate farmers to be able to get cheap water. The third is how do we go-ahead to do this export promotion? And the fourth is how do we further intensify the entire Atmanirbhar Bharat agenda that has been underway since the government of the day came into power. The narrative applied is using 'the oppressed' to justify the new engagement, law, policy, or finances.

So for instance, in land, the argument given is that we have huge number of landless people, tenant farmers, and if that has to be set right, we need to come clean with a good land lease reforms law. We know land digitalization is very much part of this. The World Bank has been at the forefront over the years for pushing countries, not only India, but India indeed, to digitalize land records, because then it becomes easier to get in with a land lease reforms legislation. And the purpose is very clear. In theory it is for agriculture purposes, but the real intent is listed-you need all these land lease reforms for building agro-industry, logistics, agriculture trade, supply chains, cold chains, etc, etc. And of course, we forget the fact that structurally, historically, you've had over 70 years and still not set right the land question, addressing the iniquitous land ownership structure, and refused to carry out genuine land distribution and that's why you still have between 70-90% Dalits, who still don't own land.

In terms of finance to states, the design has been kept as that of incentive performance. The basis being the land lease reforms. Similarly, for water, the narrative of the victim here concerns the environment, the environment has been decimated, the environment has been completely destroyed. Forgetting the fact that World Bank's own policies brought this around by financing, green revolution technology, etc. But today, they are further bringing in new legislation to ensure that subsidies for power to farmers are substituted by direct benefit transfer so that farmers will be forced to shift out from water-intensive crops to less intensive water crops. And the third then is, of course, the fact that exports are the only way. And who is the victim there? It is the poor marginal small farmer who's being exploited by the poor, small, informal trader. It's these complex networks of traders who are the big exploitative factor, according to the Finance Commission's report. And once again, the solution being offered is aggregation, corporate supply chains and exports.

#### Global value chains and clusters, implications on PDS

There are seven crops that have been identified for ramping up exports: rice, shrimps, buffalo, vegetable and fruit, spices, and two which are for import substitution. But more importantly here is the manner in which it's going to happen; it is going to happen through value chain clusters. And if you go into, for instance, the Ministry of Food Processing, you already have this map of India with clear clusters of which crop is going to be the focus, what kinds of crops are going to be grown where and this entire mechanism is going to be anchored by private agribusiness. So down the value chain, right from production to plate, wherever the chain is fragmented, wherever the chain is informal, you are going to ensure that investments come in to build up, formalise and link those value chains be it in processing, be it for cold chains.

And at this point, I would like to share just for us to further understand what we're talking about. Take the example of the chili value chain wherein the value chain inputs are completely hegemonized by agro-businesses like Syngenta, Bayer, IFFCO, and UPL. Now, what blocks the agri-business entry are the small and marginal farmers, small traders, and wholesale commission agents. This is where they seek a replacement and this is where the Farmers Producer Organizations come in. Because you have hundreds and millions of small farmers, it is very difficult to deal with them, so get a Farmer Producer Organization platform. The same report by the 15th Finance Commission very clearly talks about the FPOs serving the agribusiness, by providing an aggregator base. Their role is to be an aggregator and procurer. And then you get further vertically integrated where they bring in line at all points from processing, the cold storage, exports, the logistics. The role of the central government in this is to sign international treaties, engage globally, and ensure a reduction in export tariffs. The central government, they say, has to invest in all the infrastructure: you need the airports, SEZs, highways, anything, and everything to build brand India because you need brand India now to be doing all of this. And through this, they say that farmers' incomes are going to be doubled, exports are going to increase from 40 to 70 billion USD in about three years' time. And then, of course, we're going to generate all these jobs. And of course, the states are going to be financed based on their export growth indicators.

So if we take for instance rice, as rice is the top most produce that they (the HLEG report) pointed out. So amongst the bottlenecks to rice exports today, they talk, about the biggest bottleneck being the Food Corporation of India. The fact is, that we have a buffer stock in India to ensure we can feed millions of people through the public distribution system. Their suggestion is to get rid of MSP. They want to get rid of MSP, they talk about direct benefit transfer, they talk about the fact that we don't need a buffer stock any longer. And this is the first time any government of this country has actually been audacious enough and has publicly

made announcements for a big shift in India's position, which it has held. Thus far, at WTO, India, has been arguing that we need a greater buffer stock, to account for the growing numbers of food insecure citizens, and the fact that we changed our PDS from a universal to targeted PDS. The food security activists and food rights activists in India have constantly been arguing that we need to actually have enhanced buffer stocks of rice or paddy, for instance, because we have such a large and growing number of poor people. But what the government intends is that we get rid of this buffer stock, we get rid of the MSP, so that we can enhance our exports of rice<sup>7</sup>. And if you get rid of the regulated markets, of course, and only have a private market, then it all becomes much easier. And all of this has been completely supported by the IMF, they were rooting for these farm laws by concluding that the only way that farmers are going to be able to really do well, is if they get into exports. The second aspect thus far the Indian government has always held, is that we keep agribusiness out, because we have a whole lot of small farmers whose livelihoods are linked to food security. But today, it is the convergence of agribusiness interests globally and nationally. Adani, Ambanis, and US agribusinesses are all together in the same game.

Finally, the entire narrative of Atma Nirbhar Bharat, where they're talking about the replacement of oil, and wood (as import substitution). Now in the case of oil, we were selfsufficient in oil up to the early 90s. It was the liberalization agenda pushed by the IMF and the World Bank and the signing on to the WTO, that we allowed ourselves to reach a point today where 60% of our oil is being imported, half of it, being palm oil. So one of the big pushes here by the State, is in import substitution and becoming 'Atma Nirbhar': the plan is that we expand cultivation of palm oil in India to meet our oil requirements and therefore reduce our imports of palm oil by some USD 3 billion. And Adani is very much a player here too. One of the arguments being made is that you know, rice is being grown in places like Punjab where there is so much water crisis, and it needs to be out of Punjab. In the same breath, they say that palm oil is a good replacement! However palm oil is a water-guzzling plant. It requires close to 300 liters of water per day per plant to grow. But the entire plan is that we have 2 million hectares of wastelands, we have sugarcane, paddy fields, we can also bring in palm oil over there. The other suggestion is to make palm oil, not a horticulture crop, but a plantation crop, so as to bring in agribusiness investment. And finally, we need land lease reforms. Why? Because then private players will be able to lease land directly from farmers. The push is for a 30-year lease because then it becomes easier to buy that land from farmers. This is precisely what has happened in countries like Indonesia, Malaysia, in the entire spectrum of palm oil. I think it calls upon us, as to how we can join forces and really try and take this investigation and interrogation further.

<sup>&</sup>lt;sup>7</sup> The New Farm Laws May Facilitate a Shift in India's Agricultural Export Policy

There are these reports that tell us that in some parts of the country, palm oil cultivation has already been underway. A lot of these initiations come through government programs and schemes and at the end of the day, it all trickles down through a program or a scheme, or some kind of loan or subsidy one gets. Definitely, we have enough of the experience and evidence of the kind of devastation that has happened in Indonesia and Malaysia. The issue has to be well contextualized and analysed at each state level.

The final and deep concern is that of import substitution of wood. And why wood? Because apparently, India is a great importer of wood. So the suggestion is that across the forest regions, the Forest Conservation Act be amended to allow the private players to come and establish private plantations. Whether it is in the Forest Development Corporation lands, that's about 3 million hectares, or so-called degraded forest land. All of us who've been part of the movements for forest rights, we know very clearly that those 3 million hectares of degraded forest land are exactly where the Adivasis have been fighting and continue to fight using existing legislations, to assert their rights to that land from which they were historically dispossessed. But the idea the private players have is that if they are able to then get those 3 million hectares of degraded forest land, they can enter into direct lease arrangements via contract farming with farmers, to then grow timber. They also argue for the private sector having access to CAMPA, GI (Green India) Mission, and various other programs of the government and financing of the government. There is also an argument proposed to allow the use of NREGA to finance private sector labour needs, so then the private sector can have a wage-saving component. This is really the story that the State presents to us via its reports.

The members of the Food Sovereignty Alliance had the opportunity of interacting with farmers in Southeast Asia. The HLEG report keeps citing Vietnam's example, and how successful it has been in terms of becoming the third top exporter of rice globally. The situation for farmers in Vietnam and other South East Asia countries is not as happy as the picture being painted by the HLEG experts. An average Vietnamese farmer is completely indebted to agribusiness companies who control the entire chain from production to the plate. Secondly, farmers in Indonesia grow the most amazing organic rice, but they're forced to sell it and buy cheap, pesticide-ridden Vietnamese rice. In Indonesia, they've supplied their citizens through their public distribution system of food, Vietnamese imported chemicalized rice. This could very well be the future of PDS in India, where global supply chains supply the food under PDS.

So in the current times, the option being proposed and put forth is that agri-businesses and the world global supply chains of food provide us with food security and the government doesn't need food in the godowns of the Food Corporation of India to supply food to the citizens. If we really look at the IMF and the World Bank, and the story which has gone on thus far we

obviously know the players in the game. If we probe deeper, it's not just the IMF and the World Bank, we have the World Economic Forum (WEF) as a huge player in this entire scenario. WEF came up with a new vision for agricultural initiatives, way back in 2009 and created the India Business Council, all under the paradigm of the World Economic Forum. And so you have this India Business Council and we have familiar names there. You can see the entire list of agribusiness, right from production down to exports who are right out there and they're the ones who are really going to be defining the vision, and of course, then you find this revolving door. So there is Mr. Shroff from United Phosphorus Limited sitting as a key member and also other members from the agri-business fraternity in this high-level expert group report on exports, advising the Finance Commission which has come out with its financial plans.

Expanding further in India, one of the first states where its models have been applied was Andhra Pradesh. So under the new vision for agriculture, in 2016, the then Chief Minister of Andhra Pradesh was at Davos. Digging deeper as to what he was doing at Davos we also found that the Zero Budget natural farming initiative is very much part of that plan. Because the entire institutional arrangement was about that, whether it's organic, zero budget, permaculture, or any other agroecological approach, the final emphasis is on the fact that disaggregated farmers can be aggregated through farmers producer organizations, making it easier for investments to come in. And of course, when Andhra Pradesh became its own state in 2014, it had about 10 or 12 different World Bank-financed projects, specifically financing agribusinesses - and very much zero budget natural farming too.. If we go further back in history, it is important to ask how this was all entrenched and how it all was built up. The roots rest in the IMF and the World Bank, and it's built on the base of women's self-help groups. Andhra Pradesh was one of the first states which received the World Bank funding soon after India started its journey of economic reforms. And so the World Bank financed this entire plot of setting up self-help groups. They set up first the Society for Elimination of Rural Poverty; they then aggregated women into self-help groups and then aggregated further and further up into the pyramid. But let us notice this very important fact here and this is something we have to really observe that what capital needs is capital. And what you have here is women SHGs and federation have enormous financial capital base through their savings, and how did they get that? It was pushed and financed over years and today in Andhra Pradesh and in Telangana, one of the biggest crises for women is that they are trapped in self-help groups financing and indebtedness. In this base, women SHGs are being linked vertically to agri-businesses, exports, through zero budget natural farming and the history of this financing happened via the World Bank. Several years of World Bank financing built these structures over the years - of women organizing into SHGs, of farmers being organized, of financial capital investing into the hardearned savings of women. And all of this underpins agriculture today. This kind of 'finance

capital base', the aggregation of millions of women's savings, is the basis around which agribusinesses are going to come and invest.

#### FPOs and the case of Amul

Amul before 1990 li<sup>8</sup>beralization and Amul after 1990 need to be differentiated. Because Amul before 1990, was part of larger regulated cooperation amongst cooperatives in India, where there was a welfare agenda and one of those was really bringing milk to the cities to be able to meet the poor urban consumers' requirements. And wherever there was a milk shortage to be able to transport it around, when there was a surplus of milk, you created buffer stocks, etc. But post-liberalization, even the cooperatives have been privatized. All cooperatives were told to either profit or perish. In Andhra Pradesh, most cooperatives have perished, and only those have survived who re-registered themselves as private companies. If we take the case of Amul, 86% of their procurement of milk is located in Gujarat. And today they are controlling a monopoly of a supply chain across the country. They're moving north, they're now moving south, and are trying to position themselves in Andhra Pradesh as the hub for supplying milk to the southern parts of India. Amul is India's number one India's exporter of milk too and to become an exporter of milk and consolidate one's hegemony of the market, you have to destroy small farmers and players in other parts or other geographies. And this is exactly what has happened. So we need to critically think about the distinguishing reasons for farmers organizing - if farmers are getting vertically integrated into a massive agribusiness, the purpose of organizing is defeated. Amul is now recognized as an agri-business and it is high time that civil society wakes up to this reality.

The government, recently held consultation on the farm laws with agri-businesses, invited Amul. Amul is an agri-business, not a cooperative. Today, those dumping milk across the globe in large quantities, are co-operatives; co-operatives of middle and large farmers. Similar is the case today concerning Amul. In the last 30 years of globalization, 5.5 million small farmers have been pushed out of milk production. So the question that should be asked of FPOs is, what are you organizing around, where are you marketing, which product are you marketing, and are you supplying to local markets? And the realization of our members in the Food Alliance, who are small collectives, is that it is supplying to market locally, and they are not willing to be integrated into larger and vertically integrated supply chains. And I think that is the crux of the question. It is not about a group of farmers coming together. It is about a group of farmers being conscious about this larger system of capital because capital is being injected into FPOs.

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<sup>&</sup>lt;sup>8</sup> For further details read India's Deregulated Dairy Sector Signposts the Future of Our Food

Capital wants more capital and in the same breath, we have to understand the system of capitalism is about exploiting labor. And virtually every dairy farmer is a small and exploited dairy farmer and an exploited worker. When you don't define and decide your own production, the terms of production, the terms of your market, you're an exploited worker.

#### At the heart of the issue

The question today is that of the dying capitalist system - the bigger players know that capitalism is in crisis. And there's a convergence today of various actors in the book - from the states to corporates and agri-business to the World Economic Forum, to financial institutions including the World Bank, the philanthropic organizations, the UN system, and the multilateral groups like the IMF, the World Bank, the WTO, etc. And it is all about food. It was Henry Kissinger, right, who said that 'if you can control oil, you control the nations, but if you can control global food, you control people. And the business today is about resuscitating capitalism, only through control of food - to control hungry people, you have to control food and then you can control land. At the end of the day, capital needs land to control that land, you have to control food. The issue today is about convergence, it is not about separate players and separate actors. It is ironic how the World Economic Forum has systematically, now for 11 years, built up a whole narrative, capturing and taking over the language of civil society organizations, social movements. Be it the fact that you have 'the richest 1% who are owning everything and becoming even richer' be it 'sustainable consumption', etc, the narrative has been captured. The solution furthered is to deepen the control of agribusiness and global supply chains to answer your crisis of food. Last year (2020) in February, there was a massive 210 million grant to Maharashtra to deepen the agribusiness supply chains for exports of vegetables and fruits, and the language employed is that of 'gender'. So women are going to be at the forefront, leading this. In March, we had massive World Bank financing again in Chhattisgarh for tribes, and that's the best image we have here. The IMF representative in India very clearly said that there is a need for a stagnating capitalist system as the need for global trade is slowing down. This was said before the pandemic, that they need to invest in emerging economies. And one of the safest ways in which they can invest is by investing in infrastructure, linking it to the farm laws, and looking at all the infrastructures which are being proposed.

Finally, this all will come together, in our view, in the upcoming United Nations Food Systems Summit 2021 and you really need to read between the lines to understand what is actually going on. The summit gives an appearance of everybody being involved with this common concern of transforming a highly inappropriate world food system. Now, someone like us when we hear the word transformation, right, you think of transformation from injustice to justice. But it's the definition of justice that matters. They use the word 'just' in their terminology. But

in their view, justice can only be met if you build this alliance, you bring in all the players together, all the players have to converge and ensure that the global systems of the supply chains and the agribusiness will finally be the answer to your questions of hunger and your questions of food. And therefore at this moment in time, when we see the UN system evolving, it appears like all cards have been played, the base has been built and now just the UN convening is required for all the leaders and CSOs to come together to decide that things are going to function on this base - the new global food order for the new global empire. And in my view, it is not just the IMF and World Bank we have to fear, it is the entire system.

The ongoing farmer's movement is a living example of how solidarities across caste, class, and gender divide could be created. This is the movement where we see Dalit landless workers coming together with the small and marginal farmers, at the same time not allowing you to forget that land continues to be an issue, concern, and a challenge that has to be resolved. We also need to understand that certain sections come together at certain moments but at the same time, until the land issue is resolved, I doubt that the Dalit agriculture workers of Punjab are going to just rest after this fight. That itself gives us an indication as to the strategies and ways in which tactically various groups come together and join forces.

At the same time, Brahminism is so deeply rooted that we cannot ever go back to a village society constructed on caste as the basis of how the entire structure of production happens. Because in the caste structure, dominance is inherent which is why Kancha Illiah's book and his proposition of the Shudras become important. The kind of organizing and politics we see coming from the historically oppressed communities of the country will provide us the lead, the Adivasi philosophy and organizing can provide us the lead to redesign the way we live. So, there's no ready-made blueprint, it is about walking the path. And as we walk that path, we will find the ways on which to organize and the ways in which to redefine the system. For 4000 years, education has been denied to Bahujan communities, and now privatization of education in the current times is further denying them the right to be educated. We can't use an argument that historically some communities have been building and keeping the production of the village alive, so we return to that. No! These communities have the right to education, the right to land, and equal stakes in the production function, whether it is the production of knowledge, political strategy, or land activities. Hence, I believe that what is happening in Punjab today will give us good leads into where we want to go from here.

We have fascist states not only in our country but across the globe, who have interests in ensuring control over the food system. Agri-business is no longer nation-linked or nation-restrained, it is global in nature. And therefore where does that leave us? This system wants civil society and social movements to come in and participate. Why do they want this sort of

participation because you can then get manufactured consent? However, what we still have is a constitution, a democratic framework. We still have Ambedkar, the Adivasi philosophy, feminist assertion. It is not just the responsibility of the farmers and women in Punjab and Haryana, they are definitely at the frontlines, leading a fight. But it is up to each one of us, as we are invested in our food. It is something we have to be concerned about. We have to conscientize and organize ourselves and others, right where we are, and assert a radically different vision - where we control this vision and this assertion over food sovereignty. If we analyze well what is happening, we can very well build up a system that we want and desire.

Thank you so much!



