

24. India can't Lose out on this window of economic reforms

By Gopal Krishna Agarwal,

There is a marked difference between the agitating farmers and the anti-social, ultra-Left and pro-Khalistani elements who are piggy-backing on them. Understanding this difference is important for citizens in general and politicians in particular. One, this agitation is not merely a law and order issue, and dealing with it as such will be a mistake. Two, it is not focused on the interest of the farmers, and it is also not about the three farm laws alone — so any effort to explain the benefits of these laws will not cut any ice. Three, there are emerging strains between two different factions — the Sikhs of Punjab, concentrated at the Singhu border, and Jats from western Uttar Pradesh, stationed at the Ghazipur border. While those at Singhu are averse to any political intervention, at Ghazipur, Rakesh Tikait has shown indications of political ambition.

How the government deals with these two strains will be important in the coming days. The plot has got thicker with global players, spanning both State and non-State actors, jumping on to the bandwagon. All of this makes it clear that this is a political movement against the Narendra Modi government, and it has to be dealt with politically. The farm laws are good for agriculture and will benefit farmers to a large extent by creating an alternative and transparent ecosystem for attracting private investment in this capital-deficient sector, which has been starved of market reforms for decades. But leaders of the movement insist on a repeal of the laws and will not accept any amendments. The government has already bent backwards, agreeing to more than a dozen amendments, allaying concerns on Minimum Support Price, and offering to suspend these three laws for up to 18 months, which will make them ineffective till that time.

The government's reluctance to repeal the laws stems from the conviction about the need for market-oriented reforms in the sector and increasing the role of private players in the agri-economy. This stand has been reiterated over two decades by agro-economists, parliamentary standing committees, empowered committees of the state agriculture ministers and several commissions. If this moment of reckoning is lost, it will cause

irreparable damage to the democratic polity of the country. The question, thus, is, will India move towards anarchy? Will there be tyranny of the unelected, or will we respect democratic institutions such as Parliament, the Supreme Court and the process of law- making as envisaged in the Constitution?

Reforms are difficult. Benefits come with a time lag and are spread thin, while their adverse impact on certain stake holders are marked and immediate. Reforms need extraordinary political capital, and so the political class is reluctant to carry them out. As such, we have not seen many major reforms since 1991 (except the Goods and Services Tax and Insolvency and Bankruptcy Code, 2016); even the original ones were limited and carried out under compulsion of imminent sovereign default. The leadership at that time could not muster the courage to undertake major reforms in land, labour and agriculture segments. We lost an opportunity in the Land Acquisition (Amendment) Act, and if this golden opportunity is lost, we may not have any appetite left to undertake mega reforms. There are no more low-hanging fruits available for reforms.

Whoever gains or loses from this agitation, the farmers will surely be at a loss. They must think afresh, for the inaction of successive governments has resulted in perpetual agrarian distress and status quo is not in the interest of farmers. We, the people of India, must decide, irrespective of the so-called shortcomings in the process of enactment of these laws, that they are the law of the land and serve the larger interest of the agriculture segment of the society, having been enacted with that intent. The government is not inclined to repeal the laws. The responsibility of building the right narrative for it rests on all well-meaning citizens. It cannot be left to political class alone. Politics will be what it is with limitations in a democratic ecosystem. Let us all rise to the occasion.