

# ISAS Brief

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## Farmer Protests in India:

### Opposition Lacks Strength to Challenge the Government

*Two Bharatiya Janata Party (BJP)-ruled states of Maharashtra and Madhya Pradesh in India have witnessed farmers' protests and deaths in June 2017. Although the issue of agrarian distress has the potential to hurt Prime Minister Narendra Modi's BJP-led government, a fragmented opposition camp, inclusive of the Congress, does not seem to be in a position to effectively mobilise itself over this issue.*

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Over the past few weeks, the Indian countryside has seen protests by farmers in the two Bharatiya Janata Party (BJP)-ruled states of Maharashtra and Madhya Pradesh. The protests turned violent on 5 June 2017 when at least five farmers were killed and several injured in police firing in Mandsaur, Madhya Pradesh. The immediate reason for the protests was the crash in crop prices due to a bumper harvest. The government's demonetisation of certain denominations of currency notes towards the end of 2016, which led to a liquidity crunch, had also adversely affected farmers.

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The farmers' protests appear to indicate that the '*acche din*' or happy days promised by the Narendra Modi government is far from reality in parts of rural India. This is true even for a state like Madhya Pradesh, which has recorded the highest agricultural growth in India over the past five years.

Indeed, while the economic indicators are healthy and the election results in the recent past have gone the BJP's way, large segments of India's population, particularly those who depend on agriculture, have yet to reap the benefits of high growth. However, at the same time, there is no sign yet that the opposition is in a position to effectively mobilise anti-BJP sentiments on the issue of agrarian distress.

### **Anatomy of the Protests**

One of the striking characteristics of the farmers' agitations in Madhya Pradesh and Maharashtra is that they have not been led by established political parties but by local organisations. For instance, in Maharashtra, over 2,000 *gram panchayats* (village-level local bodies) passed a resolution in early May 2017 for a farmers' strike. The other feature of the protests was the involvement of organisations allied with the BJP. The Swabhiman Shetkari Sanghatana (SSS), despite being an ally of the BJP in Maharashtra, played an important part in the protests. Raju Shetti, a senior leader of the SSS, organised protests across Maharashtra against the state government's agrarian policies.

In Madhya Pradesh, Shiv Kumar Sharma, a former leader of the Bharatiya Kisan Sangh (BKS), the largest farmers' organisation in Madhya Pradesh, was involved in the protests. He is one of the founders of the Rashtriya Kisan Mazdoor Sangh, which spearheaded the protests. However, the BKS, which is allied to the Rashtriya Swayamsevak Sangh, the ideological fount of the Sangh Parivar (saffron brotherhood) and a critical partner of the BJP, belatedly joined the protests only to withdraw. Other farmers' organisations, such as the Bharatiya Kisan Union, were involved in the protests.

It was only after the firing in Mandsaur that the national political parties tried to capitalise on the issue. In the aftermath of the farmer deaths in Mandsaur, the Congress, which is the

principal opposition party in Madhya Pradesh, attempted to get political mileage out of the situation. Senior party leaders, including Congress vice-president Rahul Gandhi, tried to visit the site of the protests. They were, however, detained by the police before they could reach Mandsaur. The Congress smelled an opportunity to make its presence felt in Madhya Pradesh where the BJP, headed by Chief Minister Shivraj Chouhan, has been in power for three successive terms. However, ahead of the Madhya Pradesh Assembly elections scheduled for 2018, Chouhan looks fairly secure despite the farmers' protests. Not only does he have the backing of the BJP high command, in the wake of the farmers' agitation, but he also announced several concessions, including the setting up of a ₹1,000-crore (\$215.2 million) price stabilisation fund. Though the Congress has leaders of the stature of Jyotiraditya Scindia and Kamal Nath in Madhya Pradesh, the party lacks the grassroots strength to mobilise itself over the issue of agrarian distress.

## **Response from the Government**

The state governments have responded to the farmers' unrest by writing off loans. Maharashtra announced one of the biggest loan waivers by writing off an estimated ₹35,000 crore (\$7.5 billion), which is intended to provide relief to nearly 3.1 million farmers. This came after the recently appointed BJP Chief Minister of Uttar Pradesh, Yogi Adityanath, wrote off loans to small and marginal farmers immediately after taking office. Other states, including Congress-ruled Punjab and Karnataka, have followed suit.

Most agricultural experts are of the opinion that the loan waivers are only a stop-gap arrangement and provide no long-term solution to the real issues of agrarian distress. Over the past two decades, Indian agriculture has diversified from food grains like wheat and rice to a wide variety of crops. However, the latter, unlike food grains, do not get a government-ordained minimum support price (MSP). Due to a glut in the domestic market and weak global commodity prices, many farmers, who raise crops that do not benefit from MSP in India, suffer losses. Loan waivers will not address these fundamental issues. They will, however, keep the farmers – a crucial electoral constituency – happy till the next election. The spate of loan waivers has also alarmed the Reserve Bank of India, whose six-member

Monetary Policy Committee has warned against the risk of “fiscal slippages” due to large farm loan waivers.

## **Conclusion**

Agrarian distress and farmers’ protests have the potential to hurt the Modi government. However, the fact that these protests are scattered and have taken place outside the ambit of conventional party politics has meant that the BJP is not unduly worried. Indeed, a fragmented opposition, inclusive of the Congress, is unlikely to effectively mobilise itself on the issue. However, the vicious cycle of farmers’ protests and loan write-offs could well continue.

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