Twitter Thread by Sargoon



Sargoon
@SargoonK

True that all the people cherishing the support of IMF or WTO for farm reforms need to cool it down a bit, because that is a model we do not want to emulate to the t in India here.

But here are some issues that deserve to be better discussed by all:

> WTO backed by Western countries have always wanted to dismantle support systems for farmers in developing countries including India while pumping in federal payments to its farmers. Trump gave 46 billion dollars in 2020 alone to US farmers. pic.twitter.com/0V34ZQQq4J
>
> — Ranveer Singh (@ranveersiiingh) February 4, 2021

1. People who say we are emulating the Western model of agriculture are way off with this assumption. The process of primitive accumulation, the alienation of their people from their land and the way these 'first-world' countries have pushed their people into Industrial sector +

+ was a merciless phase.
But the same assumption won't work for India, because we have always had a large workforce in agriculture, agri subsidies have always run high, protection has been the hallmark of agriculture and rural representation in the parliament has always been+

+ high. Still, it is our utter failure from the beginning that we have not been able to incentivize the movement of our people to other lucrative sectors.

2. This brings us to the another point of providing MSP on all the commodities and the demand side of the issue that we+

+ conveniently ignore. Here's the thing, Food prices in India have about 65-70% weight in calculating the Consumer Price Index and 25-30% of wholesale price index. These indices affect the general price level in the economy i.e. the inflation. If MSP is offered on all the+

+ commodities, the prices of all the food products will be obnoxiously high.
The developed nations are able to offer that MSP because the per capita incomes in those countries are high, and people spend less proportion of rising incomes on food. But, for a country like India +

+ where the per capita income is comparatively so low, those inflated food prices again hurt the poorest of us all including the farmers who purchase food outside the ration shops.

(Source: Prof Ashutosh Varshney's Democracy, Development and the country side)

3. Based on the second point, it is imperative that we look for income generation alternatives for our people from the market and that's where these reforms come in. Contract farming, direct procurement by the private sector, building private investment in warehousing and +

+ storage are great ways of looking for these alternative income generating methods.
We will reach the MSP for all stage too, but at the moment that is not a fire we should be playing with. That is for when we are a country with increased per capita incomes and+

+ less populace indulged in the agri sector.

The point about which sector will absorb such a large workforce, well this thread is a part of that answer. Labour reforms have generated higher employment and a more vibrant labour market before.
Thread
https://t.co/ESNy33sAYm

> Seen a lot of people aver the following, "but where are the jobs?" in response to someone asserting the need to incentivize the movement of our people from agriculture to industry.
> Well, here's one major part of the big answer: Labour reforms.
>
> Thread\U0001f447
>
> — Sargoon (@SargoonK) January 31, 2021