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# Submission to the Supreme Court Committee on Farm Laws

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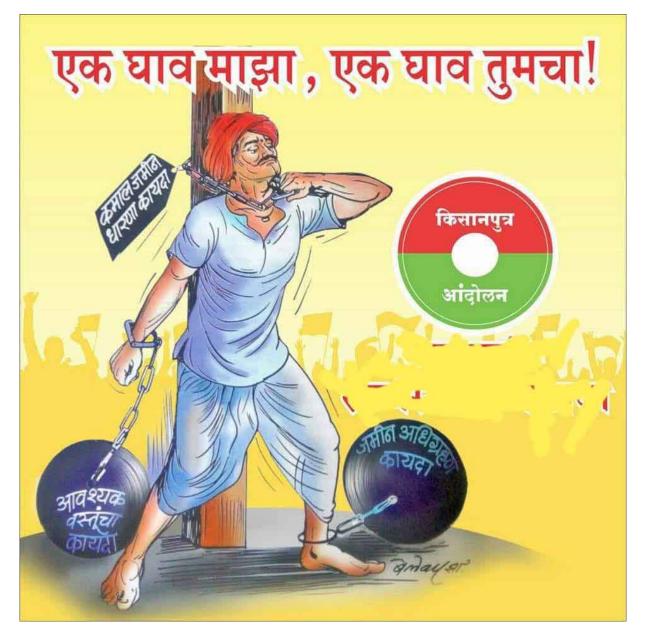
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#### SWARNA BHARAT PARTY http://swarnabharat.in/farmers

Frontispiece



An image by Kisan Putra to reflect the fact that farmers are effectively the bonded labour of the Indian government.

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THE TIMES OF INDIA, MUMBAI TUESDAY, JUNE 19, 2018

## Get Out Of Farmers' Way

In the end government interventions end up sustaining, not reducing, rural poverty

#### Sanjeev Sabhlok



While most other sectors were liberalised in 1991, agriculture was not. Indian far mersarguably remain among the most unfree in the world.

Some claim India won't be able to feed itself without the government playing a hands-on role in agriculture. But countrieslike New Zealand and Australia with liberalised agriculture have become more productive. Each Australian farmer produces enough to feed 600 people, 150 at home and 450 overseas. Liberalisation of agriculture in 1991 in India could well have made us a middle-in come nation by now. Instead, our small farmers remain under chronic stress.

Another argument, sometimes made, is that farmers are frequently seen to agitate for government support. That's not necessarily true. Farmer organisations like the Kisan Coordination Committee and Shetkari Sangathana have for decades opposed government intervention in agriculture. After their leader Sharad Joshi passed away in 2015, new leaders like Anil Ghanwat have vigorously argued for the governmentto leave farmers alone.

As a liberal party, we oppose all statist approaches, including in agriculture. Thus, we oppose MS Swaminathan's recommendations that we believe will create an evenmore interventionistbureaucratic state and increase farmer dependence on subsidies. Swaminathan's scientific credentials are impeccable but he may like to seek expert advice on the workings and benefits of a free market price system.

India's farm sector restrictions and subsidies end up distorting incentives. This hasled to insufficient use of modern technology, low and volatile agricultural productivity growth, excessive ground water withdrawal, poor soil fertility and declining agro-biodiversity. In the end government interventions end up sustaining, not reducing, rural poverty.

The governmentshould therefore get out of the way of farmers. Deregulation must start from the Constitution. Land ceiling laws and the entire Ninth Schedule mustberepealed. The Essential Commodities Act must go. Restrictions on the slaughter and trade of cattle must



be lifted. So also restrictions, including 'dumping' restrictions, on untrammelled global free trade of all agricultural produce and commodities: whether onion sugar or oilseeds

THE AFFLICTED

produce and commonities: whether onion, sugar or oilseedities: whether Barriers to the import of farm technology must go, and also any remaining restrictions on the domestic movement, storage and processing of agricultural commodities – such as the minimum distance requirement between farm and mills. The whole apparatus of Agricultural Produce Marketing Committees must go. The minimum support price system must be disbanded.

These liberalisation measures will boost domestic and foreign private investment in agriculture. One can then expect to see high quality markets and cold chains for farm produce. Hundreds of millions of farmers will get a new lease of life from the injection of capital.

In addition all subsidies must go, with a suggested three-year transition period. Everyone ends up paying for subsidies either through taxes or through inflation while the benefits of subsidies are captured mainly by the rich, including fertiliser producers, rich farmers, Everyone ends up paying for subsidies either through taxes or inflation while benefits of subsidies are captured mainly by the rich, including fertiliser producers, rich farmers, corrupt politicians and bureaucrats

corrupt politicians and bureaucrats. Some subsidies, such as for power, have perverse consequences through excessive use of groundwater. During the transitional period some sweeteners can be introduced, such as a moratorium on principal amounts owed by farmers.

Apart from getting out of the way, the government will need to play a new, stewardship role. This will include facilitating futures markets to smoothen prices and motivate private investment in grain storage. Likewise, government will need to facilitate a well-regulated crop insurance market and private laboratory networks for soil testing and certification of produce. None of this will, however, be possible

None of this will, however, be possible without critically needed governance reforms that deliver the rule of law and strong property rights. Without that, any new investments will get bogged down in our typically corrupt, bureaucratic quagmires.

The farm sector particularly needs a good land records management system that supports the easy confirmation of ownership, valuation, and trade of land. Change in land use, particularly in the vicinity of towns and cities, is another key issue. Land use decisions today can feel like a minefield to investors, with a mix of corruption and delays.

Instead of a discretionary system, we need a non-discretionary system, we need a non-discretionary way to allow markets to determine the best and highest use of land. This can be done through the auction of development rights with a reserve price that includes funding for appropriate infrastructure and compensation for any negative externalities. With such a system we won't need to reserve any land for the farm sector; markets will provide the right answer. There is one area which will need

There is one area which will need much greater government involvement: enforcing incentive-based regulation, including through Pigovian taxes, to deal with pollution, preserve biodiversity and motivate water-saving technologies to sustain the water table. Farmers must pay the full price for any negative externalities they impose.

must pay the full price for any negative externalities they impose. Butwith around 70% of India's population still living in villages, agriculture sector reforms will not be enough. Mining sector reforms are needed to provide employment to lakhs of people inlocations close to their homes. Education sector privatisation with a focus on vocational education is needed to allow millions of farm-related workers to move into manufacturing and construction. Our party's manifesto details many such reforms.

Two hundred years ago, 90% of a typical Western economy had linkages with agriculture. Today, this figure is just 5%. India is best advised to go through market driven restructuring in order to avoid lumpy adjustments, minimise social stress and give every Indian an equal opportunity to succeed. The writer is a leader of the Svarna

The writer is a leader of the Swarna Bharat Party

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## Key points

- Our party (registered in 2014) continues the long tradition of political liberalism represented by the Indian Liberal Party (formed in 1910), Swatantra Party (formed in 1959) and Swatantra Bharat Party (formed in 1993).
- The desperation of the farmers' situation was articulated over two decades ago by Sh. Sharad Joshi, the founder of Shetkari Sanghatana, who documented how farmers effectively receive a negative subsidy something that remains true even today. In plain English, **India's governments have systematically sucked the blood of our farmers since independence**.
- We consider that the 2020 farm laws are a major step forward in liberating India's farmers from bondage to socialist controls that have attacked their basic freedom of occupation and property rights.
- We agree with agitating farmers that these laws have not adequately considered their concerns during the legislative process. There are significant shortcomings in the way these laws have been made without prior discussion with farmers or even within the Parliament.
- We hope the Supreme Court and the Committee on Farm Laws will uphold the primacy of the Parliament in making policy to ensure the separation of powers and protect the basic structure of the Constitution. We consider that the Court should limit itself to the examination of constitutional and process issues and not engage itself in the merit of the policy.
- The Farm Laws Committee can do a great deal of good if it recommends a robust policy process for Indian governments to follow. Such a policy process could include: (a) the necessity of a White Paper for major policy changes, (b) wide consultation with stakeholders, and (c) a policy framework for the design of the underlying policy similar to the 10-point framework used by our party (https://swarnabharat.in/policyframework).
- From the practical perspective, it is probably best for the Modi Government to repeal the farm laws and prepare a White Paper. But even if the Government chooses not to repeal the laws, it should produce a White Paper that provides the rationale for reform including its long-term objectives.
- Apart from discussing what a good policy process could look like, this submission discusses a range of policy issues for consideration in a potential White Paper, as well as policy options to amend these three laws to make them more acceptable to farmers.

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## 1. The role of the Supreme Court and Committee in improving India's policy process

Although SBP is the most reform-oriented political party in India and we are supportive, in principle, of these farm laws, we consider that any reform process must be widely understood and accepted before being implemented. A clear-cut transitional process must also be laid out. Forcing the pace of reforms without first educating the country can lead to resistance including from those who will benefit the most from the reforms. The government of the day must take the country along with it on the reform journey.

While our party considers that the concerns of the agitating farmers are largely misplaced, the way the farm laws were enacted leaves much to be desired.

This points to a fundamental problem with India's policy making process – that we are not yet a deliberative democracy. For too long India's governments have operated as a monarchy would – without consulting with the community. We must change this.

## 1.1 Our party's apprehensions about the role of the Supreme Court

Under the Indian Constitution, it is the job of the Executive to create policy and of the Supreme Court to ensure that the policy is consistent with the Constitution. Thus, the Supreme Court can be thought of an umpire that ensures that laws enacted by the Parliament abide by the Constitution. It is generally important for the umpire to have a reason before stopping the game - and it is even more important that the umpire not start playing the game.

That is why it is extremely rare for the Supreme Court to stay the operation of laws without first determining their constitutionality. A previous example was the stay on the laws on Maratha reservations while their constitutional validity was deliberated.

Our party is apprehensive about the appointment of the Supreme Court Committee on Farm Laws ("Supreme Court Committee") that potentially signals the Court's intent to involve itself in the policymaking process. We are particularly happy about the membership of the Committee which we believe will by sympathetic to our party's policies and worldview. But even if the Supreme Court is able to access good policy advice from this Committee, we consider that it should avoid looking into the merits of the farm policy.

If the Supreme Court takes on even a limited role as India's policy maker, the principle of separation of powers will be impacted and the basic structure of our Constitution compromised. The more practical risk of the Supreme Court getting involved in the merit of a policy is that in the future anyone can potentially sabotage reforms by getting the Supreme Court to freeze the laws.

## 1.2 A role the Committee could play

Since the Farm Laws Committee is acting on behalf of the Supreme Court it is not acting as a branch of the Executive but of the Judiciary. This suggests that its role must to be highly circumscribed if it is not to set a precedent for the future.

Even from the political perspective we consider that the Committee should not take sides on the policy question. If the Committee chooses to make policy recommendations (that will likely support the farm laws, given the background of the Committee members), there is a high risk that the agitating farmers will get further alienated. Such a report could prove counter-productive and even set back the reforms. Instead, it would be beneficial for the Committee to provide strategic guidance that navigates the complexities of its situation and helps India to achieve real long-term improvements.

For instance, the Committee can add significant value to India's governance by advising the Supreme Court on the policy *process* and by getting the Modi Government to do a proper job of policy making. Our party recommends that the Committee therefore focus on the following tasks:

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## 1.2.1 Lay down a good policy process

There has never been deep consideration of good policy making in India. The Committee can advise the Modi government (through the Supreme Court) about a good policy process so that Indian governments can improve their policy making skills in the future. Issuing such a direction will also allow the Supreme Court to set a yardstick by which future petitions against any controversial laws made by the government can be assessed.

## White Paper

For instance, when a major policy change is planned in Australia, it is preceded with a discussion paper for widespread public consultation. More traditionally, a White paper has served such a purpose. As noted by Audrey D. Doerr et. al in 1971, White papers are a "tool of participatory democracy … not [an] unalterable policy commitment"<sup>1</sup>. Consultation drafts of legislation also play a major part in a good policy making process.

Once a discussion paper is issued and consultation undertaken (often using an online engagement platform where the submissions are published), it is possible that in some cases a second discussion paper with revised legislation might get issued to refine the proposal. Further, a publicly released regulatory impact statement is required for subordinate legislation and a confidential legislative assessment (cost-benefit test) is generally prepared for Cabinet consideration for primary legislation. In this manner all major concerns are well-understood and addressed by the government of the day and a widely acceptable policy determined. All major reform legislation should also have a time-bound process for review built into it, to ensure that any fine-tuning can be done within, say, three or five years.

In this case, the Supreme Court Committee could recommend that the Supreme Court ask the Modi government to either repeal the laws or to amend them appropriately but in both cases to follow a due process that includes a White paper and formal consultation. Such a White Paper must lay out the rationale for the reform, the long-term vision for reform, and sequencing.

While preparing such a White Paper must remain a matter purely for the Modi government, the Supreme Court Committee could acknowledge the need for reform and ask the government to consider not only the submissions it has received but any other material the Committee thinks might be helpful.

As mentioned earlier, though, the Committee should not undertake any analysis of its own – that must remain strictly and solely the responsibility of the Modi government.

### Policy framework

In addition, India's policy-design process needs significant improvement. The Committee could issue a policy framework similar to the 10-point policy framework that our party uses to determine our policies (https://swarnabharat.in/policyframework). Our party would be happy to provide a detailed draft on this matter for consideration by the Committee, upon request.

## 1.2.2 Summarise the key issues raised by stakeholders

Having heard a wide range of opinions, the Committee can summarise the diverse views it has heard, without providing an opinion on the policy question (except for any constitutional considerations). In this regard, the Committee may wish to also identify some options (without picking a recommended option) for the Government to consider if it chooses to amend these laws instead of repealing them.

Our party's submission goes beyond these process issues and also provides policy suggestions both for a White Paper and amendments to the farm laws.

<sup>&</sup>lt;sup>1</sup> Doerr, Audrey D., "The Role of White Papers", in: Doern, G. B. and Peter Aucoin, *The Structures of Policy-making in Canada*. Toronto, MacMillan, 1971, pp. 179–203.

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## 2. The farm laws are effectively dead but the reform must go on

The socialist republic of India has blundered along for seven decades despite all major political parties being firmly opposed to capitalism and freedom.

No one knows what exactly prompted Prime Minister Modi to suddenly think of freedom for India's farmers, for he has enacted three farm laws that are no less revolutionary than the (incomplete) 1991 liberalisation of the industrial sector.

Mr Modi gave no indication in advance of his reform intentions which were not mentioned in BJP's 2019 manifesto. Nor did he speak about them in his speeches or publish a White Paper to outline his rationale and vision for reform.

In springing his reform package upon unsuspecting farmers he also did not involve the only people in India who know what needs to be done. First, Anil Ghanwat, the President of Shetkari Sanghatana which has been fighting for over 40 years to unshackle farmers (and also a member of this Committee). Second, Bhupinder Singh Mann of the Kisan Coordination Committee (he was on this Committee but has recused himself due to political pressure from the Congress party). Third, Wamanrao Chatap of Swatantra Bharat Party. Fourth, Sanjeev Sabhlok, Sanjay Garg and other leaders of Swarna Bharat Party. And finally, Amar Habib, the leader of Kisan Putra and author of the brilliant pamphlet, *Anti-farmer Laws*.

By ignoring these people and groups, Mr Modi allowed those who have no interest in reforms to prepare the legislative package that has been skewered on the streets by the enemies of reform.

These enemies of reform want to keep farmers in perpetual bondage to the state. Their brazen disinformation and propaganda campaign has precipitated a law and order situation forcing the Supreme Court to stay the laws. (We consider that Mr Modi has added many "twists" to the law and order situation, given his decades-long expertise in these matters).

### 2.1 The farm laws are effectively dead but the reform must go on

Politics is the art of the possible. It has clearly not been possible for Mr Modi to bulldoze the farm laws in the manner he wanted. He has **effectively admitted defeat** by offering a 18-month suspension of the laws. At the same time, the laws are frozen by the Supreme Court. These laws are effectively dead.

We believe that it is time for Mr Modi to end this failed attempt by repealing the laws entirely. It is necessary to re-start this effort from scratch. Something worth doing is worth doing well.

Despite many differences on policy and governance with Mr Modi, our party commends him on his attempt to reform the farm sector. But if he is serious, he must now do this the right way.

We noted at the outset that there is no political party in India more vigorously supportive of farm sector reforms than ours: Swarna Bharat Party. But as also noted in Chapter 1, we also believe in **deliberative democracy** and consider that the country should be taken along in the reform journey. Democracy has not been served well by the process through which these reforms have been undertaken. Worse, a problematic precedent seems to be now underway with the Supreme Court potentially getting involved in the policy making process – something which, as noted earlier, we consider is well outside its jurisdiction.

We believe that repealing the laws will achieve two goals. First, it will get the agitating farmers off the street – something that is urgently needed. But second and more importantly, it will allow the reform process to restart in the proper way – through a White Paper and extensive consultation.

If Mr Modi repeals these laws, the Supreme Court's Committee will become redundant. If, however, he doesn't see the writing on the wall and fails to repeal the laws, then he is effectively handing over the fate of reforms to the Supreme Court – and that is not good practice in a democracy.

He should therefore announce a White Paper process immediately, to be followed by extensive consultation. Once that is done, the support the protesting farmers have enjoyed this time around will no longer be available to them in the future. That is because the White Paper will persuade at least half the

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protesting farmers about the genuine benefits of reforms and the community will not tolerate anyone blocking roads after everyone has been given the full opportunity to present their views.

It is crucial that no special importance be given during the preparation of any such White Paper to the protesting farmers groups. They should all have the equal opportunity to submit their inputs to the White Paper but their status must not be elevated through any Joint Committee. That would amount to rewarding the reactionary forces. In particular, India's socialist and communist political parties and leaders are a falsehood-generating propaganda force and must not be given any validation. Their distortions of the truth have cost India very dearly for the past seven decades.

Our party is committed to working constructively with the Modi government in the development of such a White Paper. Despite our small size at present, our party's leaders will go all over the country to explain the need for farm sector reforms. Educating the country is a crucial part of the journey that needs to be undertaken by the Modi government.

## 2.2 The urgency of reforms

On 18 June 2018 our party's senior leader Sanjeev Sabhlok had summarised Swarna Bharat Party's position on farm sector reforms in the print edition of the *Times of India* in a piece entitled, "Get out of farmers' way: Government interventions end up sustaining, not reducing, rural poverty"<sup>2</sup>.

In 2019 Sanjeev Sabhlok wrote nine articles on technology freedom for farmers to support the kisan satyagraha led by Anil Ghanwat of Shetkari Sanghatana for the right of farmers to plant GM crops that are approved elsewhere in the world. For example, on 19 June 2019 he wrote "If Mr Modi wants to double farmers' incomes, he must first promote biotechnology"<sup>3</sup>. More details on our farm policies are available at http://swarnabharat.in/farmers.

The desperation of the farmers' situation was articulated over two decades ago by Sh. Sharad Joshi, the founder of Shetkari Sanghatana, who documented how farmers effectively receive a negative subsidy – something that remains true even today. In plain English, **India's governments have systematically sucked the blood of our farmers since independence**. In his words:

The Government of India, in the document – which is well preserved by me – it was put on the table of the Parliament, blandly accepted that the policy of the Government of India has been: if the cost of production of an Indian farmer was Rs.183, that he should not get more than Rs. 100 in the market.<sup>4</sup>

Our party believes that the farmers who have taken to the streets over the past few months are not angry just because of the lack of consultation around the three farm Acts. They are angry because they have been wedged into a corner by seventy years of intense socialism. They are shackled and their hands have been tied with a knot behind their back even as they are charged with the task of producing food for the country. In return, all they get is lip service from the big political parties who ply them with cheap gifts before elections while fleecing them during the interregnum to the next election.

No political party wants to tell the farmers the truth about how the policies of socialism are harming them and how policies of freedom are the only way for their children to thrive. No one, that is, except for our party. We are committed to making India Number One – which will necessarily require the heavily interventionist farm policies being dismantled<sup>5</sup>.

<sup>&</sup>lt;sup>2</sup> https://timesofindia.indiatimes.com/blogs/toi-edit-page/get-out-of-farmers-way-in-the-end-government-interventions-end-up-sustaining-not-reducing-rural-poverty/

<sup>&</sup>lt;sup>3</sup> https://timesofindia.indiatimes.com/blogs/seeing-the-invisible/if-mr-modi-wants-to-double-farmers-incomes-he-must-first-promote-biotechnology/

<sup>&</sup>lt;sup>4</sup> Extract from Sharad Joshi's speech at India Habitat Centre at the conference of India Policy Institute on 8 January 2004. http://indiapolicy.org/seminars/2004-4-day-workshop-and-seminar/

<sup>&</sup>lt;sup>5</sup> https://timesofindia.indiatimes.com/blogs/toi-edit-page/lets-make-india-number-one-our-national-goal/

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To get a flavour of the massive problem facing India's farm sector consider the case of Australia, a nation that produces a huge surplus in agriculture, making it one of the world's biggest food exporters. Australia does this with only 2.2% of its workforce engaged in agriculture. It is not surprising, therefore, that the earnings of Australia's farmers are comparable with those who work in senior roles in the IT industry and in other well-paid occupations. In comparison, it takes 54% of India's workforce to produce our food. No wonder most Indian farmers can barely subsist.

India and Australia have significant differences in their history and geography, but the stark difference in the outcomes for their farmers can be attributed mainly to their differences in policy: in Australia the farm sector is free; in India it is restricted at every step.

The communist leaders who are currently advising the agitating farmers will never tell them this basic truth – that the real fight today is not against poverty but to make India's farmers rich. And they won't tell them that the only way to make India's farmers rich is to liberate the sector from the shackles imposed by the government.

Our party is firmly committed to creating opportunities not just for farmers but for all Indians – to ensure that that everyone's income increases by at least ten times. As part of our focus on wealth creation (that's why we are the Golden India party), our party has a social insurance policy that will prevent anyone from falling below the poverty line, even as everyone is incentivised and provided with opportunities to achieve their highest potential.

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## 3. A White Paper on farm sector reforms

Even if Mr Modi does not repeal these three laws, they remain effectively frozen. So nothing prevents him from commencing a White Paper: he has nothing to lose by doing things the right way.

Such a paper is urgently needed to help the country understand the complete vision for reforms.

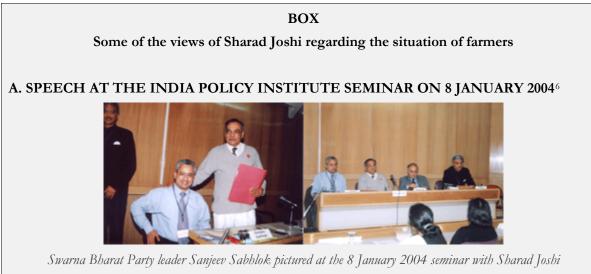
The White Paper must address both agriculture sector and governance reforms since these matters are inter-related. India's pinch point is its incompetent and unaccountable governance system: a machine of governance that no one trusts. For instance, the liberalisation of 1991 was unable to achieve its potential because of the failure to reform our governance system. As a result, India attracts only a fraction of the investment it could easily have received with better governance.

This failure of governance has been particularly lethal for farmers who can neither make their ends meet under the current dispensation nor hope for a better future for their children in the cities. The children of the poor receive shoddy education and virtually no vocational training. No wonder, farmers are suspicious of half-baked attempts to reform the system. But blocking liberalisation will only hurt the farmers. What we need is a fuller and broader package of farm sector liberalisation and governance reforms.

The kinds of issues the White Paper should consider are outlined below.

## 3.1 Sharad Joshi's perspective should set the scene for the reforms

One of the most important contributions to this matter is the work of Sharad Joshi regarding the situation of farmers and his views on farm law reforms (Box below). Our party supports most of his views.



## EXTRACTS

I have myself been arrested and put in jail on 27 separate occasions in 8 different states in this country for no other crime except demanding rights for the farmers. I have had at a time, 728 criminal cases filed against me. ... I modestly claim that the number of people who have gone to jail in my movement is larger than the number of people who went to jail in the entire independence movement.

[A]nybody who gets into the Government suddenly gets anti farmer. They talk of being good to the

<sup>&</sup>lt;sup>6</sup> Extract from Sharad Joshi's speech at India Habitat Centre at the conference of India Policy Institute on 8 January 2004. http://indiapolicy.org/seminars/2004-4-day-workshop-and-seminar/

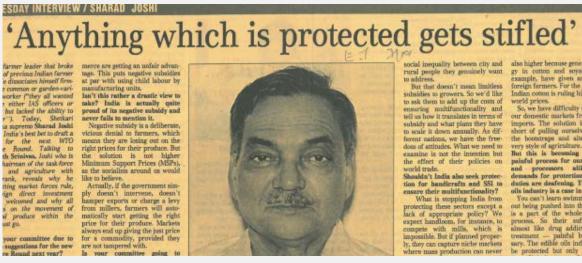
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farmer during the election campaign. But once they get into the Mantralaya or Sachivalaya, they become indistinguishable from their predecessors.

Those who talked of poverty eradication and garibi hatao have only increased garibi and we'll have to formulate an alternative plan where the preponderant importance is given to those who produce wealth and which provides for encouragement and support to those who need help but there will be no free lunching that will be permitted in that system.

The voter is going to know, if he doesn't know today, little by little in a few years time, he is going to come to know, that protection and the system of free lunches don't work. The only way that we can survive, the earth can survive, is through the liberal way.

## B. INTERVIEW IN ECONOMIC TIMES, IN 2000



In an interview with the *Economic Times* on 11 July 2000, Sharad Joshi, who was chairman of the Task Force on Agriculture at the time, said<sup>7</sup>:

### MSP

Negative subsidy is a deliberate, vicious denial to farmers, which means they are losing out on the right prices for their produce. But the solution is not higher Minimum Support Prices (MSPs), as the socialists around us would like to believe. Actually, if the government simply doesn't intervene, doesn't hamper exports or charge a levy from millers, farmers will automatically start getting the right price for their produce. Markets always end up giving the just price for a commodity, provided they are not tampered with.

### APMCs

The mandi boards or APMCs are today completely politicised, expensive, offer no services, and only create a chasm between producers and Consumers. In my view, state governments should allow any group of seven to 10 persons to form an association offering mandi services.

Once there is free competition between mandis in a district, farmers will get better deals. We are trying this now in Maharashtra. In developed nations, there are parallel networks of large retail supermarkets such as Marks & Spencer's or Sainsbury's in Britain for example, which not only procure directly from producers, but also supervise grading standards, pesticide usage and so on.

In India, we are asking farmers to compete globally with large multinationals when they are constrained

<sup>&</sup>lt;sup>7</sup> The interview as a PDF and image file, along with text, is available at: https://www.sabhlokcity.com/2016/05/anything-which-is-protected-gets-stifled-sharad-joshis-interview-in-economic-times-in-2000/

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by the warped mandi system. This is unfair to them and we can't compete without first creating an intermediate stage where quality-conscious supermarkets buy directly from them.

## Lack of international competitiveness

The biggest and completely unnoticed, problem for us is that the produce of most developing nations is not acceptable in world trade. We need to admit honestly that we are deficient there rather than blame the world for not buying our goods. Some self-criticism is needed here. We can prepare to join the market as it is, rather than expect markets to change for us. The world does not owe us a living.

## Opening up of competition will be painful but it is the only way to grow

You can't learn swimming without being pushed into the pool. It is a part of the whole learning process. So their suffering is almost like drug addicts getting treatment – painful but necessary.

## C. SWATANTRA BHARAT PARTY'S 2014 MANIFESTO<sup>8</sup>



## Swatantra Bharat Paksha

Draft Electoral Manifesto For Loksabha and Vidhansabha Polls 2014

## Swatantra Bharat Party committed to the following in its manifesto:

1. Untrammelled freedom to farmers of access to market and technology;

2. Full liquidation of all agricultural loans and electricity bills; and

3. Accepting the farmer's fundamental right to acquire, to hold and to dispose off the landed property which was contained in the original Ambedkar Constitution that was gradually eroded by Jawaharlal Nehru and Indira Gandhi.

### The manifesto said:

The various maladies of the country can be cured not by going back to some obscurantist form of government like socialist of welfarist but through further affirmation of the sanctity of the individual and the family.

## The manifesto attacked the Congress party

The Congress party had been held as the farmers' Enemy number 1, right since the beginning of the farmers' movement. Successive prime ministers, since independence, had deliberately employed strategies and policies calculated to depress agricultural prices resulting in rural poverty, indebtedness and unemployment. The fact that the Aggregate Measurement of Support (AMS) was confirmed by the Congress government itself to be negative was substantial proof of the built-in animus against farmers in the Congress party.

## But the manifesto also attacked all other parties

All political parties feign nominal allegiance to liberalization and globalization, albeit with reservations, under the force of compelling circumstances. In practice, they, along with bureaucrats, license permit manipulators, political commission agents, communalists and criminals have a vested interest in promoting a paternalist State and in pandering to the populist demands for free lunch programs. They lack, consequently, the conviction, the courage and the strength required for the minimal pace of

<sup>&</sup>lt;sup>8</sup> https://www.sabhlokcity.com/2018/04/swatantra-bharat-party-manifestos-by-sharad-joshi/

http://swarnabharat.in/farmers

economic reforms necessary for averting an imminent economic disaster.

The farm sector has suffered under excessive government control resulting in negative subsidies and barriers in access to technology. The Indian farmer who ought to be, logically speaking, the prime beneficiary of the WTO regime that aims at minimizing distortions caused by the State interventions, does not, because of the socialistic governments' bias against Agriculture, even get an equal chance for proving himself.

## The manifesto further said:

The programme for raising Indian agriculture to global standards and for permitting the Indian farmers a life of respect and dignity would include following elements:

- Abolition of all restrictions on sale, storage, transport, processing, export and futures trading of agricultural produce;
- Development of an open and transparent market in land permitting free entry into and exit from the agricultural vocation;
- All laws permitting acquisition, imposing limit on holdings will be scrapped; the agricultural land of any farmer who wishes to continue cultivation cannot be compulsorily taken away. The farmer unwilling to continue his or her cultivation will have the right to dispose off his land to anyone at any price and at any time of his choice without any intervention by the government. Legal provisions of this type would also permit an informal VRS for those who are unwilling to face the new competitive agriculture and find their place in other sectors;
- Removal of all State controls on the supply and prices of agricultural inputs as also restrictions on post-harvest treatment including marketing spot as also future as also exports;
- Development of a laboratory network that would offer farmers facilities for examination and certification of their soil, inputs and produce;
- Development of marketing and warehousing network and a system of food stamps that would replace the monopolistic systems of Agricultural Produce Market Committees (APMCs) and the Food Corporation of India (FCI) and the Public Distribution System;
- Scrapping of the Essential Commodities Act as also the regime of Public Distribution system supported by compulsory procurement through the FCI.

## D. REPORT OF THE 2000 TASK FORCE ON AGRICULTURE

The report of the 2000 Task Force on Agriculture is available at https://www.sabhlokcity.com/2011/02/the-report-of-the-sharad-joshi-national-taskforce-on-agriculture/

Our party supports most recommendations of this report but not those which call for the state to play an ongoing active role in the farm sector.

Another leader whose work our party believes should be considered by the White Paper is Sh. Bhupinder Singh Mann.



Swarna Bharat Party leader Sanjeev Sabhlok pictured with Bhupinder Singh Mann, February 2019, Chandigarh

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On 1 September 2020 Mr Mann wrote a letter to Prime Minister Modi in which he acknowledged Sharad Joshi's role in determining the direction of farm sector reforms:

Renowned and most respected farmers leader Sh Sharad Joshi had always argued that the farmer has suffered over generations due to non-remunerative prices, anti-farmer socialist laws like the Land Ceiling Act (LCA) and the Essential Commodities Act (ECA), and opposition to access to technology and external investment in farming. He had always opposed the draconian laws especially the ECA (falling under 126 of 9th Schedule) and the LCA and the restoration of property rights that were abrogated through the creation of 9th schedule.

## 3.2 Amar Habib's book, Anti-farmer laws

Sh. Amar Habib, who worked closely with Sharad Joshi, has founded Kisan Putra – the children of farmers (many of whom are searching for jobs outside the farm sector). His book, *Anti-farmer Laws*, is a crisp analysis of the laws that are harming India's farmers. His book is available free of cost at: https://sanjeev.sabhlokcity.com/Misc/Anti-farmer%20laws.pdf

On 20 September 2020, Amar Habib is reported<sup>9</sup> to have said: "We support the introduction of the three bills. However, the provision to regulate prices of some commodities during emergency situations in the Essential Commodities Act is still a hindrance to realise full freedom of marketing for farmers. We would like a complete repeal of the EC Act and the Land Ceiling Act".

In this context, our party rejects outright almost all the recommendations in the report of the MS Swaminathan National Commission on Farmers. An initial outline of our party's reasons are available on the blog of Sanjeev Sabhlok<sup>10</sup>.

## 3.3 Agricultural sector reforms

Bearing all this in in mind, the White Paper should begin with data analysis of the sector, including the low yield per acre and high cost of production. The paper should provide details regarding various regulatory barriers and how farmers have been shackled and exploited for decades, leading often to debt and suicides. The data section should elaborate on the current situation of the negative subsidy

The Paper should then set out the longer-term vision for reforms. For instance, the Paper should explain why it is a conceptual error to think of the agriculture sector as being different to any other business. This assumption has allowed governments in socialist nations like India to interfere with the market process, causing major inefficiencies and preventing millions of people from escaping poverty.

New Zealand and Australia represent a good example of the free market in agriculture. In these countries the governments do not buy anything from farmers (hence no MSP) nor do farmers receive any subsidies (farmers get subsidised loans during a drought but that's about it). There are also no restrictions on imports or exports (except a few due to biosecurity reasons). In this way agriculture operates like a full-fledged business that lives and dies on its ability to compete in the global market. If someone falls into poverty, the social insurance system kicks in, as it does for any other sector.

The resulting competition in the agriculture sector has not only led to productivity gains but enabled the ongoing, incremental restructuring of the economy: a transition that is long overdue for the Indian farm sector.

**Second**, the White Paper should show how social insurance will work for farmers. As mentioned earlier, our party is committed to a direct-transfer social insurance scheme to ensure that no one falls below the

<sup>&</sup>lt;sup>9</sup> https://economictimes.indiatimes.com/news/economy/agriculture/many-farm-leaders-welcome-agricultural-reforms-despite-some-resistance-in-punjab-and-haryana/articleshow/78219043.cms

 $<sup>^{10}\</sup> https://www.sabhlokcity.com/2014/08/the-ms-swaminathan-report-national-commission-on-farmers-is-no-solution-to-farmers-problems/$ 

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poverty line. Our manifesto elaborates this policy and can be used as a template. India's farmers must be assured at all times that if they do their best the country will support them if end up in poverty.

Only after a strong social insurance program has been established should the country consider eliminating subsidies and administered prices (including the minimum support price). Such actions must, therefore, form part the last phase of reform. Nevertheless, the White Paper should explain how India loses badly from subsidies and price interventions.

For instance, price signals in the free market (such as through a futures market) ensure a good match between supply and demand but subsidies distort both prices and incentives, causing enormous harm. The benefits of subsidies are also mainly captured by rich producers (such as fertiliser companies and rich farmers). Some subsidies, such as for electricity, end up creating perverse consequences through excessive use of groundwater. Subsidies also lead to the insufficient use of modern technology, low and volatile agricultural productivity growth, poor soil fertility and declining agro-biodiversity.

Phasing out subsidies after the social insurance program is in place will lower the stress on the government machinery and reduce corruption. At that stage the apparatus of the Agricultural Produce Marketing Committees (APMCs) must be disbanded, since **a government has no business to be in business**.

What would happen in such a free market if the price of an agricultural product fell due to imports? In the rare case of over-supply if a farmer is unable to achieve sufficient income in a given year, the social insurance program would kick in to ensure sustenance for the farmer. But for the most part, the farmer would have access to fixed price contracts that preserve his profits, so the risk would be borne by the buyer.

Third, the White Paper should lay out the sequencing of the deregulation program. A key objective should be to revert to the original Ambedkar Constitution on the matter of property rights. The land ceiling laws and the Ninth Schedule must be repealed. The Essential Commodities Act must go. If there is a genuine emergency such as war, the emergency powers will be sufficient to regulate and control food. There is no need to regulate food during peacetime. Any potential collusion between big corporates with the intention of price-gouging can be managed under the *Competition Act 2002*. While many of these end-goals will necessarily have to form part of a later phase of reforms, it is crucial to articulate them at this stage itself along with a discussion regarding the enormous benefits of such reforms.

**Fourth**, apart from just getting out of the way, the government must play a new, stewardship role in the farm sector. This will include facilitating the development of futures markets to smoothen prices and motivate private investment in grain storage and cold storage. Likewise, the government will need to facilitate (not own or manage) a well-regulated crop insurance market and private laboratory networks for soil testing and certification of produce.

There is, in addition, an area that will particularly require greater government involvement: the enforcement of incentive-based regulation, including through Pigovian taxes, to deal with pollution, preserve biodiversity and motivate water-saving technologies to sustain the water table. Farmers must pay the full price for any negative externalities they impose. Our future generations need sustainable agriculture.

**Fifth**, reforms in areas related to agriculture – such as mining – should also be included in the White Paper. Mining and agriculture should co-exist and can be potentially symbiotic. India's mining policy requires significant reform as detailed on 28 November 2018 by Sanjeev Sabhlok<sup>11</sup>.

## 3.4 Governance reforms

The White Paper must lay out the plan for all supporting governance reforms to help the farm sector. For instance, reforms are needed to deliver a good land records management system that supports the easy confirmation of ownership, valuation, and trade of land. Change in land use, particularly in the vicinity of towns and cities, is another key issue.

<sup>11</sup> https://timesofindia.indiatimes.com/blogs/seeing-the-invisible/lets-dig-up-our-minerals-as-quickly-as-possible/

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This will need getting rid of our colonial bureaucracy. As Sanjeev Sabhlok explained on 27 November 2018<sup>12</sup> and on 1 June 2019<sup>13</sup>, the IAS, along with Part 14 of the Constitution, has long passed its use-by date. Urgently needed governance reforms include police reforms and reforms of the justice system, as well as state funding of elections on a per-vote basis to enable good people to enter the political fray.

As already discussed, we need to overhaul our policy apparatus. A good public policy process should consider all aspects of information and incentives, including the likely behaviour of the government's own employees. We hope the Supreme Court Committee will provide strong and clear directions on this matter.

Only when full-scale liberalisation is enacted along with governance reforms will it become worthwhile for domestic and foreign investors to build high quality marketplaces and cold chains for farm produce – or for farmers to set up efficient local cooperatives and companies that hire professionals to coordinate their efforts. Only then will hundreds of millions of farmers get a new lease of life from the injection of capital. Until the full suite of reforms is delivered, farmers will continue to be left with the short end of the stick.

<sup>12</sup> https://timesofindia.indiatimes.com/blogs/seeing-the-invisible/the-ias-to-be-or-not-to-be/

<sup>13</sup> https://timesofindia.indiatimes.com/blogs/seeing-the-invisible/our-pm-and-cms-are-puppets-of-the-ias/

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## 4. Plan B: Fixing the suspended farm laws

While we believe a White Paper (along with new, draft legislation) must be the next major step in farm sector reforms, we are aware that the Supreme Court might ask the Government to amend the laws.

While we consider that the Supreme Court should limit its directions only to procedural and constitutional matters, if it chooses to direct the Government on any amendments, the suggestions below could be considered.

It should be recognised at the outset that there is little reason for farmers to fear these three laws. Neither is the MSP being withdrawn nor are APMCs being closed. Instead, farmers will benefit from greater choice. They can pick and choose the option that works best for them. Further, the option to sign long-term contracts gives them the ability to plan ahead with greater confidence and to get partial payment in advance. Contract farming can bring modern technology and improved methods of agriculture, leading to higher yields and improved profitability for farmers.

Unfortunately, farmers have been taken for a ride for so long by so many governments that they do not trust anyone, any more. They also have some genuine concerns that can be addressed by amending these Acts.

## 4.1 Addressing concerns about the MSP

The Modi government has repeatedly made clear that the MSP will not be removed. This can be easily legislated along with a clear statement that MSP will be reviewed after a full-fledged social insurance program has been established.

The current laws should also provide that the government will pay the balance to a farmer in case his contract is for a lower price than the MSP. For example, if a farmer's contract is for Rs.100 for one tonne of grain next year, but the government then sets Rs.120 as the MSP, then it is not the buyer but the government that must pay the farmer the Rs.20 balance. This provision **should not** apply to spot purchases since the farmer has the option of selling to a private buyer or to the APMC.

In this regard, we only partly agree with Mr Bhupinder Singh Mann's suggestion to the Prime Minister that:

To allay the fears that MSP will be done away with, another ordinance should be brought in to guarantee that farmers will get the MSP. This assured purchase on MSP should be legally binding on all buyers, government or private, with strong penal action on defaulting buyers.

In particular we <u>do not</u> agree that the MSP must be legally binding on spot market buyers since that will create perverse incentives and corruption on a Himalayan scale. We also believe that any compensation payable to longer term contract buyers must be paid only by the government.

### Longer term problems with the MSP

The White Paper (which as mentioned earlier is needed in all cases) must make clear that the MSP is both untenable and unnecessary in the longer term. For instance, the Food Corporation of India is owed Rs 2.4 lakh crore at the end of 2019 from the Government of India – money that the government can only pay back from taxes or through an inflation tax.<sup>14</sup>

<sup>&</sup>lt;sup>14</sup> Yogesh Upadhyaya and Manish Agarwal, "Frequently Asked Questions on Farmer protests", *Medium*, 26 January 2021. https://yogesh-upadhyaya.medium.com/frequently-asked-questions-on-farmer-protests-ba7f698ce49a

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In the long run, the only viable option is to wean India's farmers away from the MSP. There is no substitute to the free market if India wants to achieve an efficient allocation of resources – which is the foundation for wealth creation.

In addition, a high MSP for procuring rice in Panjab has led to excessive production of this crop which depletes the water table, causing enormous environmental damage that cannot be retrieved for decades to come. This happens through the APMC levy paid to the State government which supports free electricity for farmers – the free electricity might well be good for a few farmers today (or for politicians who use it to bribe voters at elections) but it will be catastrophic for hundreds of millions of India in the future.

The transition to phase out the MSP and subsidies must also take into account the following facts identified in a recent article in *The Hindu* by Khera, Narayanan and Gupta<sup>15</sup>, that:

- the proportion of farmers who benefit from (the flawed) government procurement policies is no longer insignificant;
- the geography of procurement has changed in the past 15 years. It is less concentrated in traditional States such as Punjab, Haryana and western Uttar Pradesh, with states such as Chhattisgarh, Madhya Pradesh and Odisha participating more vigorously; and
- it is predominantly the small and marginal farmers who have benefited from the MSP and procurement, even if the size of the benefits may be larger for larger farmers.

The last dot point above suggests that the MSP is being increasingly used as a social insurance program, in lieu of a more functional program for this purpose. Such distortions lower productivity and reduce the incentives for economic restructuring. The gradual withdrawal of MSP and other subsidies in a phased manner will shift farmers from water-table depleting paddy, wheat and sugar cane to environmentally sustainable crops.

## 4.2 Addressing concerns about crony capitalism and price manipulation

Farmer organisations have expressed concerns that big corporations will now be able to enter the market and drive out competition and even manipulate prices.

Standard economics tells us that such concerns generally do not arise in a genuine free market where there are no barriers to entry, but we know that there is no genuine free market in India. While no explicit barriers to entry are embedded in the three farm laws, farmers are suspicious that big corporations will drive out small traders.

While big corporates generally tend to behave well in order to protect their reputation, this is a legitimate concern in a situation where governments are corrupt and bureaucrats take personal advantage of the insider information they possess.

Big businesses have the capacity, through their deep (corrupt) contacts within the government, to know in advance when the government will allow or ban imports (or exports). Big companies can undertake not just insider trading but influence a range of policy interventions in their favour and against small traders. So long as a wide range of discretionary powers continue to be available to the government, this suspicion of farmers about corruption in the system cannot be eliminated.

The remedy for this is to abolish the government's discretionary powers.

These three laws must be amended to explicitly eliminate the possibility of government discretion in the international trade of agricultural produce (both imports and exports). It is particularly important for the government not to block exports of agricultural commodities when domestic prices rise. This is a really problematic policy intervention because farmers virtually never get the opportunity to make big profits but when such an opportunity does (rarely) arise, the government stops them from benefitting. Of course, the government must also freely allow the imports of agricultural commodities to ensure that consumers get the best price. Along with this, any remaining restrictions on the domestic movement, storage and

<sup>&</sup>lt;sup>15</sup> https://www.thehindu.com/opinion/lead/msp-the-factoids-versus-the-facts/article33367929.ece

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processing of agricultural commodities – such as the minimum distance requirement between farm and mills, must be removed. These steps will reduce – if not eliminate – any special advantage that big corporations might currently enjoy over small traders.

India needs a free market in which the private sector can operate honestly and efficiently. Such a market, with multiple competitive players, will also help to smoothen prices and transfer produce rapidly from one end of the world to any part of India, on the basis of demand.

The fears of hoarding and stock-piling by big companies will also become less of a concern when there is no advantage to be obtained by accessing insider information (from the government). No company will stockpile excessively without access to such insider knowledge since it would then risk a loss.

Manipulation of the market is only possible today because of government discretion and corruption.

## 4.2.1 The need to amend the Essential Commodities (Amendment) Act 2020

As part of the elimination of the government's discretionary powers, the discretion the current laws provide to the government to trigger an intervention if the price of a commodity increases beyond a particular level, must go.

Our party agrees with Bhupinder Singh Mann (in his letter to the PM) that "the benefits of amendments in Essential Commodities Act have been annulled by bringing in a proviso of triggering the draconian ECA again if prices of cereals increase by 50% and vegetables by 100%... Thus, if Onion prices increase from Rs 2 to Rs 4 the ECA can be enforced. If wheat price increase 50% above Rs 1900, a Babu sitting in Delhi can be quick to pull the trigger. Thus there will be no benefit of this amendment; rather it will create more confusion and can be misused at will."

We agree with Mr Bhupinder Singh Mann's suggestion to the Prime Minister that:

The Proviso in the ECA Amendment Ordinance [now Act] should be done away completely, especially in terms of price rise trigger.

## 4.3 Addressing concerns about access to credit from arhatiyas

The APMC commission agents (*arhatiyas*) have long-term relationships with 50-100 farmer families whom they support during the crop cycle, including through informal lending. This relationship lives outside the laws but many farmers are concerned that once APMCs come under pressure, there will be no one to help them for the myriads of things that *arhatiyas* currently do.

This is a legitimate concern but farmers should be guided to the numerous options that will become available to them once the reforms are implemented. For instance, a "model contract" could allow scope for farmers to receive part payment during the crop cycle. Moreover, farmer organisations and other intermediary support entities will inevitably emerge as the system evolves. And any shortcomings can be picked up during the legislative review (discussed in point 4.7).

## 4.4 Addressing concerns about dispute resolution

One of the concerns raised by agitating farmers is that SDMs and Collectors are likely to be corrupt – therefore dispute resolution through them is not a workable option. The problem, of course, is that the rest of the system is no less corrupt. Further, backlogs in the courts are even more extensive than backlogs in the administrative offices. Our party's position on reforms of the justice system is applicable here, but at a minimum the laws could be amended to allow disputes to be progressed in civil courts, as well. Arbitration mechanisms should also be established to expedite these matters.

We agree with Mr Bhupinder Singh Mann's suggestion to the Prime Minister that:

9th Schedule should be amended and agriculture/land should be brought out of its ambit to enable farmers to approach the courts for justice. The current form of the law creates a situation when farmers have still not got freedom. "azad desh ke gulam kissan"

Of course, we would like to see far greater reforms in the longer term.

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## 4.5 Signalling a genuine commitment to reform: Technology freedom

If these three laws do go ahead, the Modi government can signal its reform intention and goodwill for farmers by lifting all unnecessary restrictions immediately, for example: religious sentiment-based restrictions on animal farming, barriers to the import of farm technology, and barriers to the use of GM technology.

This will allow farm productivity to dramatically increase, thereby benefiting the farmers.

## 4.6 Dealing with the loss of revenue for some States

One of the reasons some state governments are opposing these laws is that the diversion of farm produce from APMCs will lead to a loss of revenue for such States. It should be ensured that there is a transitional period during which these states are supported by the Centre while they seek other sources of revenue.

## 4.7 A review after three years

If these three laws represent the entire extent of reforms the Modi government is willing to enact, then it is crucial that a review provision is built into these laws. Ideally, there will be a much bigger reform package that should also contain the three year review provision.

## 4.8 Convert the laws into a single Omnibus Act

It is inconvenient to have three separate Acts. As a procedural improvement, these should be combined into a single *Omnibus Agriculture Liberation Act*.

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## 5. We need total reforms to make India Number One

Upon becoming independent, India started with a reasonably good Constitution based on the principles of classical liberalism: liberty and strong property rights. But the promise of a free India was short-lived. We were soon to experience decades of growth in the size of the government machinery and intervention by government in the ordinary lives of citizens.

Big government (both incompetent and corrupt) destroyed enterprise and significantly curbed liberty of thought and expression in India. India now ranks poorly on international comparisons of liberty and prosperity. With some economic liberalization in the 1990s, one form of illiberalism (statism) did recede in some sectors, leading to spectacular improvements in many aspects of life. However, other forms of illiberalism, such as religious bigotry, seem to have since strengthened, along with intense crony capitalism. Our democracy has seriously decayed, with the corrupt and criminal fast-tracked into Parliament, even as good people mostly choose to stay away.

There is an exodus of the best and brightest Indians to lands which offer liberty and opportunity. By all benchmarks, India is *independent* but is definitely not *free*. Moreover, the agriculture sector has continued to remain badly chained to totalitarian laws.

We need to leash the government and unleash the people. This requires a complete overhaul of our governance systems and policies.

Our party's manifesto (http://swarnabharat.in/manifesto), underpinned by the philosophy of liberty, proposes reforms to ensure that only honest politicians are motivated to join the political system, and that our bureaucracy is accountable and competent. It also proposes a suite of economic reforms and world-class regulatory models and frameworks to enhance liberty and accountability. These reforms involve an overriding emphasis on individuals over institutions, with a government that acts in the general public interest rather than particular vested interests, a government that is less costly but more effective, small but strong, less intrusive and which ensures the rule of law and equal treatment for all.

Our party is committed to reforms that will make India Number One in the world. The kinds of reforms detailed in the party's manifesto include:

- 1. A new machinery of government and world-best governance frameworks. This involves:
  - a) State funding of elections on per-vote basis, fast-track courts to dispose all cases involving elected representatives within one year, and high salaries (but no perquisites or pensions) for politicians to ensure good and competent people enter politics, and the criminals and the corrupt stay away.
  - b) Consolidation of Central Governments departments into no more than ten, contractual appointment of each secretary (selected from the global open market except where national security is involved), with all further senior appointments made by the secretaries or their delegates on contractual basis without any right to natural justice upon dismissal. Replacement of the IAS and all other tenured services by contractual, accountable executives at senior levels of government, with (at the earliest opportunity) repeal of the Constitutional provision for all-India services and special protections for public servants.
  - c) Strong and independent tier of local government, with the power to employ CEOs on contractual basis to deliver high quality local services and infrastructure.
  - d) Implementation of world-best policy and regulatory frameworks (including regulatory impact statements, cost-benefit analyses that are independently assessed; and policies to maximize competition and ensure competitive neutrality). In general, a government should provide almost no services directly, including utilities and education, but enable the people – also known as the private sector – to do so, subject to appropriate (including incentive) regulation.
  - e) Elimination of corruption within three years through a radically improved governance and accountability system, including a radically restructured real estate system.

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- 2. A focus mainly on first order functions, being the essential functions of the government (defence, law and order, internal security, police, and justice):
  - a) Urgent establishment of law and order and the rule of law, including security for everyone (particularly women) and quick and effective justice for all. This would include freedom of speech at the level assured by the First Amendment of the American constitution to its people, and religious freedom: with the state and religion kept entirely separate. Emergency management is part of this core function of government.
  - Reducing taxation (e.g. GST to not exceed 10%), broadening the tax base, and significantly increasing tax compliance to end black money. Along with pruning unnecessary functions, this would bring down inflation and achieve triple-A rating for any remaining government debt.
  - c) Economic reforms, including removal of unnecessary restrictions on production and trade, to enhance productivity and create opportunities for entrepreneurs, thus creating a vast number of jobs. This will include facilitating deeper engagement with Asia and delivering more growth from Asia.
- 3. Performing second order functions only after the first order functions have been performed well:
  - Procuring or motivating the creation of high quality infrastructure, including in the areas of transport, power, water, sanitation and broadband. Our focus will be on ensuring world-class 21st century infrastructure to facilitate commerce, reduce congestion and increase productivity.
  - b) Reasonable equality of opportunity for all, including access to high quality school education for the children of the poor (through privatization of the entire school system, and targeted vouchers for the poor), health cover for the poor, and total elimination of extreme poverty in three years through targeted negative income tax.

Our party's plan will deliver freedom and (therefore) jobs and much higher real wages for all Indians. It is reasonable to project India as a \$50 trillion economy (in current US dollars) by 2050, should the reforms outlined in this manifesto be implemented in their entirety.

We are confident that the Supreme Court Farm Laws Committee will use its leverage and the unique opportunity provided to it, to advance the welfare of all Indians and help build a system in which everyone gets to achieve their highest potential.

We also invite all farmers and farmer organisations who agree with this submission to join our party and lead the country to a bright future. India desperately needs a strong liberal party to contest the socialist and communal forces that are currently leading the country into a black hole.