

## An Attempt to Modernise Indian Agriculture

A Pragmatic Policy Analysis On The New Farm Laws And Agricultural Reform In India

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### Abstract

The Indian agriculture sector plays a vital role in the country's economy and employs a significant number of individuals. The sector's performance has been plummeting in recent years, and this decrease in growth can be attributed to factors such as the provisions provided to farmers by the government. With the introduction of the Farm Laws in the country, the goal was to provide more freedom to the farmers and increase their monthly income by liberating and deregulating the trade practices within the sector. The Laws, however, were met with backlash from the farmers and led to mass protests across the nation where the farmers demanded a repeal of the Laws. This thesis explores the Farm Laws and looks into the factors that led to their failure and whether they were adequate to modernise the Indian agriculture sector. The data collected for this research is via a literature review on the effects of the Farm Laws on the main stakeholders of the policies. The data is then analysed using the analytical framework based on the Karger and Stoesz (2006) policy analysis method, where the policy is examined based on its historical background and problems that necessitated the policy. The results gained from the policy analysis are inspected based on the agriculture protection theory by Swinnen (1994), who argues that there is an increase in agriculture protection when structural changes are brought to the sector, and this increase can be a result of multiple factors. The thesis concludes that Farm Laws failed in India because the farmers' interests were not taken into account, and the very implementation of the policies failed. The government failed to execute the Laws productively, and suggestions for eradicating external factors that torment the sector were not provided in the newly drafted Farm Laws. A political economy perspective is also included in the research to explore the role of the government when it comes to modernising the sector and how they failed to take into account the farmers' struggles in the existing system. Suggestions for future reforms are included that argue for the importance and role of institutions, infrastructure and investments in developing the sector and assisting the farmers in increasing their incomes.

Keywords: India, Farm Laws, Agriculture Sector, Policy Failure, Modernisation

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### **1. Introduction**

Agriculture plays a significant role in the Indian economy, and in 2020 it made up about 18.32% of its total GDP and 10% of its total exports (The World Bank 2020; Ministry of Commerce and Industry 2022). Around 70% of rural households are dependent upon agriculture, and it is also responsible for employing 50% of the total population in India (Kotishwar 2018). Furthermore, the growth and performance of this sector have been dwindling in the previous years. This can be attributed to the rather backward provisions provided to the Indian farmers by the Government of India (Raghuvanshi 2014). Inadequate investments and the lack of attention paid to the sector can be dubbed as one of many reasons for the low levels of yield seen in the agricultural sector. Rising debt and suicide rates amongst the Indian farmers are also an indicator of the agrarian distress that the country is dealing with (Curtis 2021). As a measure to combat the challenges, an attempt was made to modernise the agricultural sector in India where the Government introduced two new bills and amended one law from 1955, collectively known as the Farm Laws. The objective of the Farm Laws was to invite more investments to the sector with the aim of liberating and deregulating the sector, thus opening an opportunity for the farmers to double their average monthly income and giving them more freedom in terms of selling their produce (Datla 2020). The Indian Government announced the agricultural reform Laws in June 2020, namely: (1) The Farmer's Produce Trade and Commerce (Promotion and Facilitation) Act, 2020, (2) The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Service Act, 2020 and (3) The Essential Commodities (Amendment) Act 2020. They were designed with the backdrop of aiding farmers with economic benefits and transforming the sector for its growth and development (Curtis 2021). The Laws, however, were met with backlash from the farmers, farmer unions and opposing political parties in the country. They labelled the controversial Laws as anti-farmers and anti-agriculture and demanded a repeal (Curtis 2021). Massive farmers' protests broke out in July 2020, where farmers demanded a repeal of the Laws, among five other things. These protests continued for over a year, and in November 2021, Prime Minister Narendra Modi decided to announce the repeal of the Laws stating that despite the Government's efforts, the farmers have failed to understand the benefits of the Laws (Gupta 2021). Since the repeal, the farmers are yet to receive clarity over the other demands they made during the protests. The agricultural sector still needs reform, and measures to achieve these improvements are yet to be initiated. Future reforms could put

more focus on the provisions provided under the reform where the needs of the stakeholders are accounted for, and its implementation is carried out in a better manner.

### 1.1. Aim and Research Questions

India's growing population has an impact on the relevance of the importance of the agricultural sector in the country and how it affects the overall performance in terms of their economic growth and development. The steady increase in population reflects the increase in demand for food and the need for higher productivity levels. In order to achieve these objectives to sustain and satisfy the people in the nation, improvements related to the functioning of the sector need to be made (Cagliarini & Rush 2011). Agriculture in the Indian economy has adverse effects on the modernisation of the nation as a whole. Not only is this sector a wellspring of jobs for a significant proportion of individuals in the country, but it also plays a role in the international exchanges of commodities contributing to the Indian fares and giving rise to business opportunities which aid in industrial development and modernisation (Dwivedi 2014).

The overarching goal of the Farm Laws was to bring about these much-needed changes to agriculture. Although described as historic and path-breaking, the policies failed to satisfy the needs of the farmers and the Government's execution and enactment of the law was heavily criticised (Shah et al. 2021). Policymakers and decision-makers overlooked the external factors that could have affected the stakeholders in the newly introduced Laws. An emphasis on the impact the Laws would have had on all the stakeholders involved could have assisted in a structural transformation of the agricultural sector in India.

Following the introduction and then the repeal of the Laws, the aim of this study is to examine why the Farm Bills failed to meet the expectations of the farmers. Additionally, this research will assess whether their presence in the country would have benefited agriculture in India as a whole and assisted in modernising and reforming the sector. Hence, to meet the objective of the research, the following research question will be answered in the report:

What were the underlying factors that led to the failure in the implementation of the Farm Laws, and why were they inadequate to modernise the Indian agriculture sector? The research question is of exploratory nature, where it will aim to identify and explain the reasons behind implementation failure. It can be divided into two segments where firstly, the factors that led to the revolt by the farmers against the Farm Laws will be highlighted and secondly, how the Farm Laws failed to modernise the agriculture sector will be discussed. The use of exploratory research design would allow for a deeper understanding of the attempt made by the Government towards modernising the agriculture sector (Robson & McCartan 2016: 151-152).

#### 1.2. Scope of the Study and Relevance

The scope of this particular research is limited to the case of the Indian farmers and their struggles surrounding the Indian agricultural system. Within this extent, an emphasis on the Farm Laws will be made, and the revolt seen by the key stakeholders will be highlighted. This is central to the study since it would allow for a thorough understanding and examination of the reasons that led to the failure of these newly introduced policies.

Since agriculture is vital for the Indian economy and its population, it is a relevant setting to study the Farm Laws and the impacts they could have had on the country's development trajectory. The country has employed a significant number of strategies to modernise its agriculture sector since independence, but none of them have yielded expected outcomes. It is believed that a reform is essential to increase the efficiency of the farmers, and strong support and participation from the Government are crucial to decrease the agrarian distress in the sector (Singh & Bhogal 2021). An agricultural reform is long due in India. Since the Green Revolution, which took place in the 1960s, underemployment and disguised employment have been an issue in the agricultural sector. This has effects on the economic growth and output of this sector (Kapoor & Senthil 2022).

The relevance of this research is specifically underlined when India's global standings as an agricultural powerhouse are examined. This sector in India is known to be the second-largest producer of agricultural products in the world, and in 2014 the estimates reached \$367 billion, which was more valuable than the trade-in services or manufacturing sector in the same year (BS B2B Bureau 2016). In terms of agriculture export, in 2016, India ranked amongst the top 10 worldwide, and it was estimated that around 17.84% of the world population depended upon exported agricultural commodities from India. The May 2022

wheat export ban from India shot up the global prices for the commodity to rise by almost 6%, and this ban was driven with the aim of managing the food security within the country and to provide support for neighbouring and more vulnerable countries (Lockett & Fildes 2022). Hence, it is necessary to revise policies and efforts that aid in the improvements of the productivity levels and modernisation of the technology and infrastructure sector in the nation in order to fulfil the growing demand for goods worldwide (Department of Commerce Ministry of Commerce and Industry Government of India 2018).

This study will contribute to the notion that there is a need for such reforms in the country, and although the Farm Laws were a step in the right direction, there were multiple factors that the policymakers did not take into consideration during the drafting process, which is what led to their failure. First, the introduction of the Farm Laws suggests the need for changes in the agri-industry in India, and the rollback of the Laws indicates that the needs of the farmers were not fulfilled and the Laws were not beneficial to its stakeholders. A similar concept is not only reasonable just in the Indian context and can also be applied effectively to other cases worldwide where policy changes and reforms have been administered and have not yielded their expected results.

#### 1.3. Outline of the Thesis

The thesis will begin by giving background information about the Indian agricultural sector and the structural issues that exist within this sector, along with highlighting the Farm Laws to give context to the study. This will be followed by a literature review that discusses the previous agricultural reforms in the country and assesses the different mechanisms and factors involved that led to their success and/or failure. Then the theoretical framework devised for this research will be introduced. This framework is built upon the method of policy analysis that is employed in this study to analyse the given Farm Laws. Subsequently, the analysis and discussion segment of the thesis will aim to analyse the data collected and compare them to the findings of the previous research on the topic. Finally, the thesis is closed with a conclusion summarising the findings of the study along with the implications for the modernisation of the sector and factors to be prioritised for future reforms.

### 2. Background

This section aims to expand on the importance of the agriculture sector for the development and modernisation of the Indian economy and society. Agriculture is central to all economies regardless of their development levels. It plays a crucial role in satisfying both food and non-food demands. India has always had an agrarian society, and agriculture and similar sectors create the backbone of the Indian economy and have a pivotal role in its process of development. Moreover, this section will give an overview of the agriculture sector in India, whereas previous reforms initiated in the country will be discussed in the following Literature Review segment of the report.

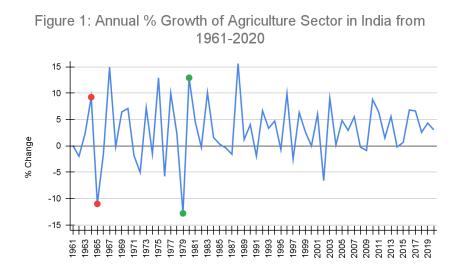
### 2.1. Significant Features of Sector

An overview of the significant features of the sector would form the basis for the prospects and the ability of the sector to perform. When the country gained independence, the sector was described as somewhat 'backwards', and this was visible in the low productivity levels both per worker and per hectare of land. With low levels of the application of technology available and poor land-relations systems grouped with a growing population and inadequate job opportunities outside the agriculture sector, the pressure on the agricultural system to perform better increased. The sector is also predominantly characterised by the small farmers that operate on very small or tiny farms. A majority of the farmers cultivate plots less than one hectare in size, and the growing population of the country is adding pressure to the subdivision and fragmentation of the farming land. Low levels of productivity further strengthen the backwardness of the Indian agriculture arguments, and despite several inputs in the form of improved technology, for example, the overall levels of productivity continue to remain low. When compared to other major crop-producing countries like China and the USA, India's per hectare output levels are low. In terms of Rice, India produced about 29 quintals/hectare in 1998, whereas China and USA produced about 61 and 63 quintals/hectare, respectively (IGNOU 2017).

### 2.2. Importance of Agriculture for the Indian Economy

Agricultural productivity in the country has been volatile in recent years, and this can be attributed to agricultural inputs such as land, water, seeds, fertilisers and the very access to agricultural credit. Figure 1 shows the growth that was seen in the agricultural sector in the past 60 years, and the most significant decrease in growth was seen from the years 1964 to

1965 when the growth went from 9.22% to -11%. The highest jump was recorded from 1979 to 1980, where it fluctuated from -12.8% to 12.9%. The past decade has seen relatively stable variations in growth (IGNOU 2017).



Source: World Bank and OECD National Account (2022a) through www.gapminder.org

As industrial development takes place in a country, the share of non-agricultural sectors comprising the Gross Domestic Product (GDP) increases steadily. In recent decades, the manufacturing and services sector in the country has outperformed the agricultural sector, and agriculture's contribution to the overall GDP of the country has decreased from around 50% in the 1950s to just 15.4% in 2015-16. Figure 2 depicts the same and indicates the decrease in the agricultural sector's contribution to the GDP over the past few years; additionally, there has been a simultaneous increase in the contribution of the manufacturing and service sectors increase towards the GDP. The trend shown in the figure is an indication of the structural changes that the economy has experienced during its industrial development (IGNOU 2017).

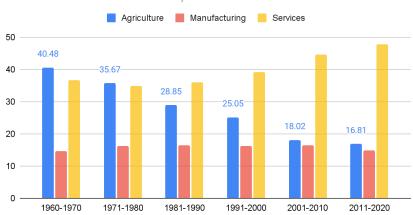


Figure 2: Contribution of Manufacturing, Services and Agriculture to Indian GDP, in % from 1960-2020

Source: World Bank and OECD National Account (2022b) through www.gapminder.org

As previously mentioned, the agriculture sector in India engages a majority of the population. The total workforce employed in the sector was significantly higher before industrial development took place, and the decline seen in employment can be attributed to the fact that employment opportunities post-industrialisation grew due to diversification of jobs and the demand in sectors such as services and manufacturing went up rapidly. Although the total employment figures for both males and females have been reducing from 63% in 1991 to 59% in 2001, the absolute number of individuals dependent upon the agriculture sector has significantly gone up (Tripathi & Prasad 2009).

The contribution of the agriculture sector and its raw materials towards the economy is also highlighted in terms of the exports, and the trend shows that the agricultural exports have been reducing in the past decades, and their composition in terms of total national exports has also been declining. The Indian trade policy is affected by several factors, which are influenced by the availability of the commodity, the cost of production of the commodity and its price on the global scale (IGNOU 2017).

The contribution of agriculture to other sectors is also an important factor which explains its role and importance in the Indian economy and how it contributes to the growth of non-agricultural sectors. It is crucial for industrial growth and expansion since it is the supplier of both raw materials for the industries and food for the workers that are running

these industries. It also plays a key role in generating demand for the products for the other sectors in the country (IGNOU 2017).

To summarise, the role agriculture plays in the development of the Indian economy is visible via the contributions the sector has in the share of the country's GDP, employment sector, international trade and interlinks with the non-agricultural sector. Additionally, it is a significant source of income for those employed in the sector and modernising it will aid in lifting people out of poverty and assist in improving their livelihoods. Although the figures show that these factors have not been performing well in recent years, this further highlights the reasons as to why more focus needs to be put on this sector for its growth and modernisation.

### 3. Literature Review

The literature review for this research will present agricultural reform strategies adopted by countries globally and will aim to discuss the reasons for their success and/or failure. Additionally, previous attempts made by the government of India will be reviewed, where significant policy changes will be highlighted, and the shortcomings of their implementation will be discussed. Not only will this section give background to this research, but it will also provide both an academic context and aid in justifying the methodology adopted to argue for the policy failure of the Farm Laws.

#### 3.1. Successful Government Intervention: The Case of Asian Tigers

In order to understand the significance of these attempts at agricultural reforms in India, it is necessary to look at the examples of other countries and examine how they went about bringing changes to their agricultural sector to achieve overall development. The remarkable growth seen by the Asian Tigers, i.e. Hong Kong, Singapore, South Korea, and Taiwan, since the 1960s and can be accredited to their focus on exports and rapid industrialisation (Bloomenthal 2021). Taiwan and South Korea's rapidly growing economies have been influenced by their initial focus on their agricultural policies and the changes made to the sector in order to maximise productivity and yield. The 'success' of the governmental intervention can be viewed and defined in terms of the development levels seen in the sector and country today.

Taiwan initiated their agricultural development reform in two phases. While they were still under Japanese rule, Taiwan introduced modern technology to their agriculture sector as a part of their first phase from 1895 to 1945. The second phase began with a land reform when the second War ended. Land reforms were carried out in different steps; where first, in 1949, the rent was reduced; in 1951, public land was sold, and the land-to-tiller program was introduced in 1953. Statistics show that the net income of farmers tripled between 1949 and 1960, where increases in aggregate income were noted, and tenant farmers and cultivator purchasers both benefited from this major economic consequence of the land reform. This reform also impacted the issues of unemployment and disguised unemployment. Since labour utilisation is dependent upon farm size, unemployment went down, but no changes were seen in underemployment. There were notable impacts on the education level of children, and the transfer of surplus from agriculture to the non-agriculture sector was also noted. The prevailing conditions in Taiwan allowed for a smooth and ideal setting for a land reform to take place. This improved the efficiency of agricultural production and assisted in the development and industrialisation process, which benefited the people in the nation and allowed for an improvement in their standard of living (Koo, 1966). Similarly, the government in South Korea in the 1960s expressed their interest in the improvements in the agricultural sector. Post recovery from the World War II damages, the mindset in the country shifted from rehabilitation to expansion which led to the devising of the 5-year plan, which was divided into two stages: 1962-66 and 1967-71. The overarching goal of the plan was to create a self-sustaining foundation for economic growth. Programs launched to achieve this goal varied from expanding the irrigation facilities to land reclamation to increasing the supply of fertilisers and pesticides, and finally to strengthening agricultural research and extension. In order to do so, government investments in the agricultural sector went up by 20%, and the early 1970s saw advancements in terms of trade in favour of the farmers. The reform also brought dramatic changes to the agricultural policies where attempts were made to promote domestic food production and facilitate increasing the farmers' income. The Saemaul Movement was instituted as a means of bringing about investments in the development of rural infrastructure. Land and water development was also prioritised in order to maximise productivity, along with fertiliser and pesticides being heavily subsidised (Moon 1988). It can be noted from the two examples that state regulation is essential for agricultural growth and development. The structural change noted in the two countries can be seen in the form of diversification of the inputs and products structure of the agricultural sector. The two

countries also portray that when a structural change is made from statism to pluralism, valuable outcomes can be achieved (Moore 1988: 112-114).

# 3.2. Unsustainable Agricultural Reforms: The Case of Sub-Saharan Africa

Post-independence, African governments played a vital role in the development of their national economies, and the agriculture sector was central to their agenda. Decision-makers were of the stance that the entrance of private traders into the market would make the system exploitative and would not allow for the smooth functioning of feeding the nation. Economic development was equated with industrialisation and was thought to demote the role of agriculture in providing labour, raw materials and cheap food for the industry. Small farmers were viewed as incapable of applying modern techniques, and small scale agriculture was inherently inefficient. Pressure to introduce reforms came from several directions, and when the 1970s saw a boom in commodity prices, governments found it challenging to cut expenditures which resulted in large fiscal deficits. The International Monetary Fund (IMF) and the World Bank had to step in and provide funding for the economic strategy, which was currently dealing with stagnant economic growth, inflation and shortages of consumer goods. This funding came with attached necessary policy changes. Countries across the regions accepted the economic reforms, which included the liberalisation of the agricultural market (Kherallah et al. 2000). Sub-Saharan African countries in the late 1980s and 1990s saw the introduction of agricultural policy reforms that were either implemented as structural adjustment strategies or self-standing initiatives to achieve growth. The records for the data for agricultural growth rates in many of these countries have been uneven, and the growth did not sustain in a similar manner to countries in Asia, for example. Extensive economic reforms were also undertaken by countries in the region to reduce the role of the government and increase market-based participation in their economies. The importance of agriculture in their economies made agricultural marketing reforms central to their process of liberalisation (Aksoy & Onal 2012: 1-40). The reforms had four main objectives: (1) adjust the price of domestic crops to match the world prices by eliminating subsidies on the agricultural inputs like fertilisers and credit, (2) fixing the exchange rate system to liberalise the market for foreign exchange, (3) remove restrictions on the input and output of the markets by encouraging private sector activity and relax the restrictions on the domestic movement of the food crops, and (4) restructuring the public and market board activities such as maintaining

security stock and the availability of market information (Kherallah et al. 2000). It is argued that price and exchange rate policies in Sub-Saharan Africa showed negative impacts on the agricultural performance of the region. The agricultural production in the region did not respond positively to the policy changes that brought controls on the prices of retail food and encouraged food imports. The larger farmers become the change beneficiaries of the higher prices, and low-income consumers face adverse effects of the high food prices. In order to achieve rapid growth, rapid industrialisation was deemed necessary, and that required a transfer of income from the agricultural sector to the industrial sector. The limited use of modern technology, prevailing poverty, lack of funding for the sector, government indifferences and high taxation all led to the failure of the attempted reforms in the region and hence can be viewed as 'unsustainable' (Morgan & Solarz 1994).

### 3.3. The Road Towards Modernisation: The Indian Case

Indian agriculture is no stranger to constant attempts by the government to develop and make the sector more technologically advanced in order to increase efficiency and output. Post-independence, there was a shift in focus for rural policies where agriculture modernisation via land reforms and uplifting of rural infrastructure were prioritised. The pre-reform era, 1950-1900, witnessed the implementation of Green Revolution remedies to combat malnutrition and the growing need for food. India adopted innovative agricultural technologies to expand its agricultural production. These reforms ranged from bioengineered seeds to the use of chemical fertilisers and irrigation facilities that increased crop yields. These were embraced by farmers across the various states in India but resulted in widening the gap between social classes since some of these producers could not afford these necessary inputs and the wealthy farmers got wealthier, whereas the poor farmers lagged behind. The success of the Green Revolution was not equally distributed, and this failure can be identified on three different levels: (1) lack of funds for the small farms to implement the Green Revolution technology, (2) insufficient information for small farmers and the (3) absence of government support for the small farmers (Sebby 2010; Tucker 2015; Dutta 2012). The Economic Reforms of 1991 in India is where major amendments in the shape of industrial and exchange rate policy took place, which accelerated India's emergence as one of the fastest developing countries. The country has seen an annual increase of 5.6% in its GDP since 1990, and the percentage of people living in poverty has dropped from 39% to 26% from 1988 to 2000. Although the reforms focused on off-farm activities, the agriculture

sector was affected in two major ways. Firstly, the high economic growth rate and the increase in income per income capita that followed it brought significant changes to the food demand. Secondly, the low levels of industrial protection brought changes to the incentive framework for the agricultural sector. Positive changes were seen in domestic terms of trade for the agricultural and industrial prices, which rose from 0.9 to 1.2 from 1991 to 2000 (Fan et al. 2007: 10-40). This increase in profitability for the sector resulted in an increase in private investments, which now acted as public investments for agriculture. The aftermath of the 1991 reforms saw the agricultural GDP rise from 3% to 4.1%. The southern state of Karnataka can be identified as the frontrunner when it comes to the implementation of the e-National Agriculture Market (e-NAM) in 2016. The purpose of e-NAM was to incorporate 585 regulated markets across the country with a single electronic system in an attempt to create an integrated national market and overcome the issues that were seen with APMC and ECA. What led to the beneficial outcomes of e-NAM for the state of Karnataka is the presence of capable institutions, incentives provided by the existing infrastructure to support the modernising of the trading platform and active participation from the agents involved. The state's implementation of the e-NAM Act has led to the formulation of the 'Karnataka Model', and the unprecedented efforts made by the state can act as guidelines for the other states in the country for them to learn from Karnataka's experience and successfully execute agricultural market reforms (Aggarwal et al. 2016).

#### 3.4. Study's Contribution to the Research

The discussed examples of Southeast Asia and Sub-Saharan Africa highlight the various reasons why reforms initiated by the governments in their countries were successful and unsuccessful. Decision-makers in both Taiwan and South Korea saw the need to strengthen their agricultural sector in order to develop their economies, and steps in the right direction were made, which led to development levels seen in the countries today. The reforms instituted favoured small farmers where their land rights were prioritised, which led to the growth of employment and increased agricultural output. These gains from the agricultural outputs were used to kickstart the manufacturing sector to increase exports and switch to an export-oriented manufacturing economy (Aseniero 1994).

A review of the decisions taken by the governments of the Sub-Saharan African countries to strategically improve the agriculture sectors' performance reflects the fact that these reforms

lacked a focus on factors such as improving the quality of infrastructure and the application of modern technologies. Top-down interventions by the IMF and the World Bank to promote rural development and smallholder production did not succeed according to their agenda and did very little for the agricultural sector in the countries. Solutions offered to benefit from the agricultural reforms revolve around price reductions and increases in production (Morgan & Solarz 1994).

In terms of the reforms initiated in India, it can be concluded that there is an unfinished agenda that needs to be dealt with in the domestic arena. The policy changes brought with the 1991 reforms aided in overcoming the pre-reform issues of shortages in food grain and foreign exchange. The reforms, however, failed to meet the requirements of the sector that needed investments in strengthening the infrastructure and marketing, which led to the slow growth of the agricultural and total GDP seen after 1997 (Gulati 2003; Moni 2009). Changes in the domestic agricultural policy are necessary to incentivise investments for the better functioning of institutions (Fan et al. 2007: 10-40). The Karnataka Model too stresses the importance of legal and institutional frameworks and how they are necessary for the development of the smooth functioning of agricultural transactions across the country. Furthermore, the presence of incentives in the marketing system to attract traders is prioritised for the active participation of stakeholders across the platform (Aggarwal et al. 2016). Since the Farm Laws aimed to tackle similar drawbacks of the agriculture sector, this research will evaluate their failure and investigate how this reform could have been executed differently.

### 4. Theoretical and Analytical Framework

This section delves into the theoretical and analytical framework applied in this study to understand the reasons for the policy failure of the Farm Laws. The relevant aspects of the chosen theory are explained and put into the context of the questions and how the analytical framework will be applied to reach the objectives. This section is divided into three parts where first, an overview of the theory is given, followed by the analytical framework and finally, their relevance to the research is underlined.

### 4.1. Theory of Agricultural Protection

This research adopts a political economy framework which argues for agricultural protection. The model developed by Swinnen (1994) portrays the changing role of agriculture towards the economy in the midst of economic development when changes are made to farmers' relative incomes and institutional changes that impact decision making are made as an attempt to improve agricultural protection. Agricultural protection in this scenario refers to the protection of domestic agricultural produce from various forms of competition. Structural changes brought to the economy have impacts on the distribution and size of the effects, both positive and negative, of the policy changes to agricultural protection, and this affects the government's incentives in the process of decision making (Swinnen 1994).

The main argument raised by Swinnen in the theory is that when economic development processes coincide with (policy-induced) structural changes, an increase in agriculture protection is seen, and this correlation is a result of a multiplicity of factors. The political model developed shows how optimising structural changes will lead to an increase in agricultural protection against exogenous changes. Structural changes to the economy have an effect on the pre-policy incomes and individual welfare and impact the efficiency of the income transferability. The changes impact the political support for the policy alterations and thus impacts the political equilibrium in the country. As a result of declining incomes in the agriculture sector relative to the rest of the society, an increase in agricultural subsidies is seen. Declining output from the agricultural sector towards the economy, according to the Swinnen Model, will increase the impact of the subsidies and result in an increase in capital and positively affect the supply elasticities (Swinnen 1994).

Additionally, it is argued that the introduction of beneficial agricultural policies is a result of economic development, which reduces the organisational cost of farmers. An emphasis on the structure of the political market is also made in this model. Political changes made by the Centre act as a means of gaining support from the general public. If the policy is viewed as beneficial by the public, the policymakers gain support, and if viewed as harmful, they lose support. Hence this support is viewed as proportional, and it is assumed that the redistributive policy would balance the aggregate loss in support from those harmed by prioritising the winners of the policy change (Swinnen 1994).

### 4.2. Policy Analysis Model

The analytical framework for this research will be based on the social policy analysis model developed by Karger and Stoesz (2006). The model is presented as a series of questions which enables the generation of descriptive analysis and produces information about the policy in question that helps in understanding the (1) Historical Background of the Policy, (2) Problems that Necessitate the Policy, (3) Policy Description, and therefore assists in (4) Policy Analysis. The four sections put emphasis and ask specific questions on the fact that social policies act as a means to determine which individuals, groups and communities can be helped and with what kind of assistance. A review of the historical background of the policy entails assessing previous policies in the same genre that were implemented and identifying the problems that led to the introduction of the original policy. Additionally, it also assists in reinventing the wheel and determining the forces responsible for the mobilisation of the policy. Establishing and deciding the factors that necessitated the creation of the policy is crucial in order to determine whether the proposed policy is appropriate to fulfil the concerns and fits in the parameters of the determined problems. Policy description allows for a detailed explanation of the goals and objectives of the policy and how it is expected to work and benefit the stakeholders involved. Policy analysis lies at the heart of the framework and engages in a systematic analysis of the policy. Policy goals are exclusively evaluated and studied on the grounds of providing, for instance, greater social equality, redistribution of income and resources, etc., via the means of the highlighted policy. The political, economic, and administrative feasibility of the policy is also analysed for a better assessment and evaluation. Political feasibility entails delving deeper into the political viability of the policy and whether it is feasible in the public's opinion. In order to accurately analyse a policy, it is essential to examine public sentiments towards it and how they think they will be directly impacted and apprehensions regarding threats to their social values. Economic and administrative feasibility revolve around the notion of funding for the policy and an effective implementation of the same (Karger and Stoesz 2006: 28-32; Einbinder 2010: 527-541).

Karger and Stoesz (2006) pose a set of questions that are necessary to assess the impact of social policies accurately, and Figure 3 depicts the chosen questions that are relevant within the scope of this case study on the farmers in India. The relevant questions in the different subsections will be grouped together for an easier understanding of the theoretical reasoning behind the different factors that led to policy failure.

Sub-Section	Questions
	What historical problems led to the creation of the policy?
Historical Background of	How important have these problems been historically?
the Policy	How was the problem previously handled?
	How was the original policy changed over time?
	What is the nature of the problem?
Description of	How widespread is it?
the Problem That Necessitated the	How many people are affected by it?
Policy	Who is affected and how?
	What are the causes of the problem?
	How is the policy expected to work?
	What resources or opportunities is the policy expected to provide?
Policy	Who will be covered by the policy and how?
Description	How will the policy be implemented?
	What are the short- and long-term goals and outcomes of the policy?
	Are the goals of the policy legal?
	Are the goals of the policy just and democratic?
	Do the goal of the policy contribute to greater social equality?
Policy Analysis	Do the goals of the policy positively affect the redistribution of income, resources, rights, entitlements, rewards, opportunities, and status?
	Do the goals of the policy contribute to a better quality of life for the target population?
	Does the policy contribute to positive social relations between the target population and the overall society?

Figure 3: The Model for Policy Analysis by Karger and Stoesz (2006: 29)

#### 4.3. Relevance to the Research

To give context to Swinnens Model (1994) of an institutional change via policies, the introduction of Farm Laws will be viewed as the policy change to transform Indian agriculture and aid in modernising the sector. The purpose of the Farm Laws was to bring institutional change to agriculture in India and assist in developing the sector and improving the livelihoods of the farmers. Therefore, the Swinnen Model (1994) will aid in arguing for the factors and reasons for the policy failure of the Laws. Since the theoretical model explains that agricultural protectionism and economic development are caused by a multiplicity of factors, the analytical framework, based on Karger and Stoesz's (2006) policy analysis method, will be utilised in this research with the aim of determining those factors.

The first aspect of the research question deals with the factors that led to the revolt by the farmers, and the political decision-making argument of the Swinnen Model would help in determining how the Laws were not in the farmers' interest and resulted in the farmers' protest which led to the repeal of the Laws. Since the research question is designed to list out the unfavourable features of the Farm Laws, the analytical framework for this research will allow us to do the same, and the political consequences of the Laws will be explained using the theoretical model.

Whereas the second segment of the research question aims to determine the reasons behind the policy failure of the Laws, given the fact that they aimed to help the sector and were expected to modernise it. Swinnens Model aids in dissecting the factors gained from the analytical framework and thus assists in determining how this institutional change did not positively affect agricultural protection and the sector. Since the theory argues that when economic development is underway and policy changes are instituted in the form of structural changes to improve agricultural protection, a policy analysis of the Farm Laws with the backdrop of this theory would allow us to see how the conditions present in the country were not favourable for the goals of the Farm Laws and did not result in agricultural protection or development of the sector.

In summary, Swinnens Model (1994) would allow for a discussion of the Farm Laws on the basis of the analytical framework and would assist in exploring the introduction of the Farm Laws in India. The theory includes rational politicians offering protectionist agricultural

policies to the people in return for their support in order to stay in power. This would bring a political economy perspective to the research and would help in answering the objective of the study. The theoretical framework and the analytical framework are thus tied together and together help in answering the research question by providing both a method and theory to discuss the findings.

### 5. Methodology and Data

This section will discuss and justify the method along with the data that is applied in this qualitative research. Firstly, the policy analysis model developed by Karger and Stoesz (2006) will be reviewed where the relevant aspects will be highlighted, and the use of literature review as the methodology will be accounted for. Secondly, in the sub-section Data, units of analysis that are chosen will be discussed, where the relevance of the documents will be explained. Lastly, the limitations of the methodology and the sources of data will also be underlined.

### 5.1. Methods

The study will follow a systematic literature review which can be deemed appropriate as the research methodology since it is necessary to take into account the different opinions and estimations regarding the effects the Farm Laws (could have) had on the stakeholders and the economy and what factors led to their repeal and thus failure of their implementation.

Karger and Stoesz (2006) can be viewed as an appropriate approach to carry out a policy analysis for the Farm Laws since the given criterion would allow for a thorough analysis of the impact it had/could have had on the agricultural sector in India. Via the means of the chosen policy analysis framework, it would be possible to conduct a stakeholder analysis which would assist in identifying the main actors involved and affected. Analysing their roles in the policy implementation would also help in answering the aim of the study, which is to understand the reasons behind the policy failure of the Farm Laws. Karger and Stoesz's (2006) policy framework is designed to analyse a social policy systematically, and Swinnen's (1994) political economy model would provide explanations and theoretical reasonings for the results gained from the analysis.

Although the previously described Farm Bills are Laws, it can be deemed appropriate to analyse them using a social policy framework since it would allow for a correct evaluation of the societal impacts it would have on the stakeholders of the Laws. This paper aims to discuss the policy implications of the Farm Laws on the public and not look into the constitutionality/legality of the bills; hence not all aspects of the framework will be applied in this study. Additionally, since the Laws were introduced together, the analysis will simultaneously discuss the overall impacts of the Laws on the sector and not delve into each law individually.

#### 5.1.1. Limitations of the Method

The literature selected and the analysis conducted from the analytical framework will be an interpretation and understanding of the researcher, and hence the results derived would be objective. The analysis of the literature would be biassed with the researchers' understanding of the Laws, their effects on the stakeholders and how policy-induced structural change would lead to development and modernisation. Hence, the guidelines laid down by Karger and Stoesz (2006) to examine the policy should act as a fruitful method to correctly analyse the policies and their consequences (Robson & McCartan 2016: 92). Another drawback of using literature review as a method is that the research might not contribute to any new knowledge. This aspect of the method has been dealt with in this study by carefully skimming reports on the Farm Laws that explain their characteristics and effects, and the analytical framework developed for this research would help in discussing the impact of the Laws on the modernisation of the sector.

### 5.2. Data

The study is designed to conduct a qualitative analysis on the premise of a systematic literature review which will form the basis of the policy analysis framework. The data is hence collected from various government reports, scientific journal articles, newspaper outlets and relevant websites. The units of analysis for this study will be the three farm bills that were published in The Gazette of India. The Gazette of India is a public journal responsible for the weekly publishing of authorised documents from the Government of India that deal with issues of Urban Affairs. The Gazette clearly defines the Laws and the different mechanisms that need to be applied, for example, in matters of dispute and additionally states the penalties for contravention of the bills. Other relevant data that is necessary to evaluate

the policy and its consequences was collected via academic articles written by scholars in the field. The selected literature was carefully reviewed in order to draw accurate conclusions regarding the effect of the Farm Laws and their impact on the modernisation of the Indian agriculture sector. For example, Chikermane's (2020) biography of India's Farm Laws will act as a guide to understanding the history of India's agricultural reform policies which highlights events that took place before the initiation of the Farm Laws. This will aid in understanding the historical reasoning behind the problems that necessitated the introduction of the Laws as well as assist in giving the Laws a historical context. Articles by Goyal et al. (2016) and Beriya (2021) discuss the impact of Farm Laws on the farmers in the country and discuss the implications of their implementation on the sector and would be helpful in constructing a stakeholder matrix to analyse the impacts on the different actors involved. Shah et al. (2021) decode the three farm bills in their paper, and applying their research to the policy analysis framework will facilitate describing the policies to a greater extent which will help in understanding the reason for their failure. Tyagi (2020) delves deeper into the concerns with the Laws and highlights the future steps that can be taken to modernise the agricultural sector. And lastly, to gain insights into public perceptions surrounding the Laws, newspaper articles were reviewed to get an accurate understanding of the stance the stakeholders stand for or against the Laws.

#### 5.2.1. Source Criticism

Given the fact that the units of analysis selected for this study are official government documents, it is noted that bias is inherent in all state reports. This brings an appealing characteristic to the research since the Centre's views and how they position the farmers' interests can be applied when conducting a stakeholder analysis. To avoid the potential political agenda behind the government documents, the scientific journal articles and news sources in this study were thoroughly skimmed and anti, neutral and pro-government outlets were selected that view the situation from respective angles.

### 6. Analysis

This section will systematically analyse the three Farm Laws based on the previously devised analytical framework and will aim to determine the factors that led to the failure of the Farm Laws.

### 6.1. Historical Background of the Policy

The first subsection in the Karger and Stoesz (2006) policy analysis framework deals with the historical background of the policy and questions the historical problems that led to the creation of the Farm Laws; therefore, this section will discuss the problems that the sector was facing in the past and what kind of reforms were applied to solve them. This analysis will hence review the issues that the farmers in the country were facing, what kind of governmental changes were introduced as a means to overcome these problems and how these policies have evolved over time and given rise to the Farm Laws. As discussed in the background section of the report, the Green Revolution and Economic Reforms of 1991 were instituted as means to develop the agricultural sector and overcome the issues.

Since Indian agriculture is no stranger to constant attempts by the government to modernise the sector in order to increase efficiency and output, with the establishment of the Essentials Commodities Act, 1955 (ECA), the goal was to protect the consumers and regulate the production process along with the supply and distribution of certain 'essential commodities'. This Act was extended for the whole of India and was legislated in the interest of the general public. The aim of this Act was to maintain and increase the supply of essential commodities along with allowing for equitable distribution and availability of these specific commodities. Exploitation from traders was also prohibited under this Act, where black marketing of stocks was forbidden (The Gazette of India 1955). This umbrella Act provides protection, and restrictions were imposed on the transportation, storage and processing of agricultural products. It was justified on the grounds of the necessity of certain products, for example, in times of abnormal conditions like wars and genuine scarcity. However, ECA was misused by administrators at the lower levels and was used as a tool for harassment and corruption. This Act was viewed as a hindrance to the agriculture market since it did not allow for effective integration and development of the sector in the national market (Chikermane 2020). ECA is said to have overarched its purpose and assisted in benefitting the middlemen and traders more than the suppliers. Consumers are said to be protected at the expense of the farmers, and it has resulted in lower levels of private investments in facilities like export infrastructure such as warehouses and cold storage systems (Gulati et al. 2020).

Following that, the Agriculture Produce Marketing (Regulation) Act (APMRA) was introduced during the 1960s and 70s. It brought significant improvements to the agricultural

market in the country and also made substantial advancements in the marketing of farm produce. It was enacted all over the country, except for the states of Kerala, Jammu and Kashmir and Manipur. The markets set up under this Act were required to have adequate infrastructure for the sale of farmers' produce, and the price that the commodities were sold at was determined at an open auction which is to be conducted in a transparent manner in the presence of an official from the overseeing committee. APMRA served many beneficial purposes that included dissolving malpractices and imperfections in the agricultural market and pushing the agenda of the establishment of transparent marketing conditions where farmers were guaranteed fair deals on their products, which was a much-needed change in many parts of the country. This Act also aided in creating an environment where producers-sellers exploitation by traders was minimised. These gains, however, slowed overtime when the developed infrastructure could not keep up with the volume of the market arrivals. The quality of these facilities deteriorated over time, and the intermediation plan soon started to disadvantage the producers and consumers and benefited only the middlemen (Chand 2012; 2016).

The growing concern surrounding the difficulties the farmers were having regarding selling their produce had been growing in the previous years. The majority of the farmers still preferred to sell to local traders and commission agents, whereas only a few preferred to make use of the specially designed Agriculture Produce Marketing Committees (APMC), also called *mandis*, with regulated commissions and marketing fees (Aggarwal et al. 2016). Created in the interest of the farmers, APMC soon became counterproductive, and the lack of institutional and infrastructural support left the farmers dependent upon middlemen for basic information, financial help and the sale of their commodities. The exploitative nature of APMC gave rise to the curation of the Model APMC Act, 2003 was to improve the situation of the farmers and increase farmers' share in the consumer rupee (Reddy 2016). The Model APMC Act targeted tackling the limitations of the old APMC Act. It aimed to open up the market by allowing the private sector and cooperatives to engage in farm sales and contract farming directly. The implementation of a technological infrastructure was employed where marketing and online trading of agricultural products was encouraged. The objective of Model APMC was to create a transparent and efficient mechanism that would give the farmers the freedom to sell their goods at the place of their choice, be it a contract sponsor or public or private *mandis*. Despite all the positive (expected) outcomes, it was carried out only

as a state-level reform, which resulted in the failure of the creation of a unified market (Aggarwal et al. 2016).

Hence, from the historical overview of the events that led to the introduction of the Farm Laws as a measure to improve the selling and buying practices and create a smoother system for the farmers, it can be seen that these interventions and changes turned out to be unfavourable for the farmers. Farmers in the country benefit when institutions, infrastructure and investments are made in the right direction, and since the mentioned reforms lacked a proper implementation of all three, the previous reforms were not able to fulfil their defined goals.

### 6.2. Problems that Necessitate the Policy

The second subsection questions the problems that led to the creation of the Farm Laws. As previously discussed, several reforms were launched in the nation to address the issue that farmers, and the sector in general, were facing, and the Farm Laws can be seen as a means of tackling the same issues.

The background section of the report describes the importance of the agriculture sector for the Indian economy and its performance in the recent decades that necessitated the Farm Laws. In recent years, farmers have been struggling with the long unviability of the farming practices in the country and farming households have been affected by indebtedness and depeasantization (Singh & Bhogal 2021). Enhancing agricultural productivity and rural growth were the top priorities of the government, and the introduction of the three Acts was meant to serve as an incentive for more private investments into the agricultural sector. When read together, they can be deemed as historical and are meant to free the Indian farmers from the grapples of the middlemen that can be held accountable for the unjust treatment of the farmers and their produce. In addition to reducing exploitation, the Laws were also meant to drive the market forces in the agriculture sector and, in turn, expedite the development of India's rural economy. Cutting the role of middlemen from the trade between the farmer and buyer would also mean the commission charges along with other taxes would get removed/lowered, which would give the farmers a better price for their produce. This would allow the farmers to move more freely and would gradually widen the market for them to sell their produce (Tomer & Jayara 2021). Since independence, the farmers in the country are yet to be provided with remunerative prices. Price and market policies in the country have led to farmers being underpaid for their commodities in average, drought and good seasons. When compared to other countries, the Indian farmers are net taxed similarly despite the presence of Minimum Support Price (MSP) and subsidies in the nation (Dev 2020). Post-1991 reforms, the income gap between the farmers and non-farm workers grew more expansive, and this reflected the inequalities and disadvantages that the reform had resulted in. The reform was insufficient and did not boost the farmers' income, and the inadequacies of infrastructure and institutions that allowed for a smooth selling system did not suffice (Shah et al., 2021). Gulati et al. (2020) also establish four areas of concern that need to be addressed in order for any reform to be successful. There needs to be a shift in the focus of the government from the production gains to improving the livelihoods of the farmers. Policies should concentrate on the allocation and efficiency of resources such as water and land, which are rapidly declining and are central to agriculture. Provision should be made for farmers to sustain the shocks from adverse weather conditions and price volatility. To ensure the post-harvest value chain is profitable, agriculture markets that provide better infrastructure and competition should be assembled so that farmers receive better prices without resulting in higher-end consumer prices.

#### 6.3. Policy Description

The third section is designed to break down the basic descriptions laid out in the policy documents published by the Government of India in their weekly Gazette. Since it is necessary to understand the farmers' issues with the Laws, it is essential to review the Laws first. **The Farmer's Produce Trade and Commerce (Promotion and Facilitation) Act, 2020** allows for the farmers to sell their products straight to the consumers and enables them to avoid the state-controlled markets called *mandis*. Although *mandis* exist to minimise exploitation and ensure that farmers are able to sell their produce at reasonable prices, it has been noted that large landowners and agents that act as middlemen are making the system complex and underpinning existing regulations. This extra cost by the middlemen is paid by the farmers. Under this Act, it is also possible to sell goods online on trading platforms. The main goal of this act was to create an ecosystem for the farmers and traders to have freedom in terms of sales and purchase of farmers' produce (BBC 2021; The Gazette of India 2020a). **The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm** 

Service Act, 2020 enables farmers to bypass *mandis* and directly enter into contract farming with buyers. Local dispute settlement mechanisms are also provided under this Act. Although contract farming does exist in India, it is not mainstream, and with the help of this Act, it was believed that it would get the required legal backing by setting up a comprehensive national legal framework for the farmers (Curtis 2021; The Gazette of India 2020b). The Essential Commodities (Amendment) Act 2020 renews the 1995 Act under which the Central Government and states were given the power to regulate the movement of certain commodities within and outside the states. Furthermore, it enabled them to limit stocks of certain 'essential commodities' that were of importance. Over the years, the list of these essential commodities has changed, and during the Covid-19 pandemic, goods such as hand sanitisers and face masks were added to the list, and food items such as cereals, pulses, and oils were removed under this regulation (The Gazette of India 2020c). These changes were believed to increase private sector investments in cold storage systems and modernise the food supply chain via a greater economy of scale (Curtis 2021; The Economist 2021).

To sum up, the Laws were meant to ease the restrictions revolving around the purchase and sale of the farmers' commodities in the state-run markets and simultaneously allow for a more accessible entrance to contract farming where farmers could directly trade with buyers and avoid *mandis* and access the mechanisms revolving around the local dispute settlement. Moreover, the restrictions and movement on the stocking of the updated list of 'essential commodities' were eased (Curtis 2021).

### 6.4. Policy Analysis

From a review of the relevant literature, it can be determined that the farmer's interests were not taken into account when the Farm Laws were being drafted. Unhappy with the promulgation of the Acts, farmers demanded a repeal of these Laws and this notion was backed by opposing political parties and farmer unions in the country. Classified as 'anti-farming' by the opposition, the legality of the Acts was also questioned, and farmers' protests further pushed the government into redrawing the Farm Laws (Tyagi 2020; Singh & Bhogal 2021). Farmers and academics in the country considered these Laws a threat to the socio-economic well-being of the rural sector, which led to the outbreak of massive sit-in protests on the borders of the capital, New Delhi. The largest protest movement in world history saw over two hundred thousand farmers in solidarity against the corporate takeover of the agriculture sector (Sethi 2021). During the protest, the farmers demanded a repeal along with the legalisation of the MSP for their produce. Introduced in 1965, currently, MSP is a government policy and not backed by Law. The goal of MSP was to protect the farmers from any sharp falls in market prices and was implemented by the APMCs in the states and via the *mandis*. It is feared that with the implementation of the Laws, the Public Procurement System (PPS) will come into action, and that would lead the way for pirate actions to step in and exploit the trading system and would lead to farmers receiving fewer prices than the guaranteed MSP. PPS promotes the local production of goods and services by granting the local supplier preference over the foreign producer. This led the farmers to believe that an unequal balance of power would be created between powerful agribusiness cooperation and resource-scarce farmers (Singh & Bhogal 2021).

An analysis of the policy thus suggests that not only were the requirements of the farmers not taken into account during the policymaking process, but the very implementation of the Laws also failed. The enactment of the Law did not correlate with the given infrastructure and institutions present in the country and outright seen by the farmers was on just grounds.

To summarise, it can be concluded that for a transformation of the Indian agriculture sector to sustain an increase in farmers' incomes is necessary, where the role of the private sector, both pre and post-harvest, is enhanced in a liberalised market and the efficiency of the sector is emphasised (Beriya 2021). Since these factors were not paid attention to in the recent Farm Laws, the policy failed to achieve its described targets. The following discussion section will attempt to establish theoretical reasons behind these factors and emphasise the Swinnen Model (1994) to deduce how this policy-induced attempt of structural change by the Centre to improve the agriculture sector in the country did not meet the standards.

### 7. Discussion

This section will answer the research question posed in this study and will apply the theoretical framework to understand the reasons behind the failure of the Farm Laws to modernise the Indian agriculture sector. This discussion aims to see how Swinnen's (1994) hypothesis that improvements in agricultural protection are seen when policy-induced structural changes are brought to the agriculture sector amidst economic development is not

reflected in the case of India; and instead, the policy changes resulted in the farmers being more vulnerable and at the risk of exploitation.

The factors described in the analysis section of the report align with the decision making argument made by Swinnen (1994). He explains how the Centre and politicians introduce policies that would mainly have positive effects on a handful of people, and the losers from this policy are left worse off than before. The small farmers in the case of India were to be negatively affected the most by the Farm Laws, and the more prominent corporations were to gain the most.

Since the sector predominantly compromises of small and marginal farmers whose land holdings sometimes prove to be insufficient for their own immediate requirements and rarely makes its way to the established markets, the critics against the Farm Laws argue that although the ideology behind the Laws is appropriate, they do not take into account the Indian scenario and the struggles of the sector. It is feared that the established *mandis* under the APMC Act would backfire on the small farmers in the long run, and the more prominent farmers and corporates would dominate the trading community. Once this takes place, the guaranteed MSP scheme would be eradicated, and small farmers would be left to fend for themselves (Tomer and Jayara, 2021).

The political agenda is especially highlighted when Modi's U-turn on the Laws was seen when he repealed them in November 2021. Seen as the biggest political retreat since his political party, Bharatiya Janata Party (BJP), came into power in 2014, it clearly highlighted the fact that "... BJP will not risk political capital for policy credentials". The timing of this repeal aligned perfectly with the upcoming assembly elections in the crucial states of Punjab and Uttar Pradesh. Both the states contribute significantly to the agriculture sector, and gaining farmers' votes was crucial for BJP to assert dominance in the elections (Kishore 2021). Farmers make up an influential voting bloc, and the year-long protests reflect their agitation and disagreement with the enactment of the Laws; if the protests continued, it could have gravely affected the BJP's chances of winning the elections. As an outcome of the repeal, BJP won in the most populous state of Uttar Pradesh and lost by a considerable margin in the state of Punjab (Parija & Prakash 2021).

Swinnes Model (1994) correctly describes the relation seen between the farmers and the protectionist policy offered by the Government to its citizens. Those in favour of the new policy changes were the stakeholders that were to gain the maximum benefits from the enactment of the Acts. Given that, according to the model, the politicians apply redistributive policies to balance out the support they gain from those who benefit the most by those who are taxed the most. This notion is visible in the support they gained post-reform in India as well. As mentioned earlier, post-repeal of the policies, the ruling party lost the elections in the state of Punjab, where a significant number of large scale farmers reside, and their win in the state of Uttar Pradesh can be attributed to other factors that do not fit the scope of this study. The repeal worked out in Modis party's favour since the state had over 200 million people voting, and this win has paved the way for him to run for his third consecutive term as the Prime Minister of the country (Sharma 2021). A repeal of the Laws was classified as taking the agricultural reform agenda by a decade by some, and this political decision making was not driven by the farmers' agitation but rather the belief that the BJP puts "... bad politics ahead of good economics" (Merchant 2021).

Swinnes Model (1994) describes this political decision making as rational citizens making an informed choice based on the policy changes that provide political support from politicians. When introduced as a mechanism to promote barrier-free trade and increase farm output by dismantling restrictions on the sale, the supporters of Farm Laws were more prominent farmers in the country that held large holdings and farming corporations that would reap the benefits of these new changes. When repealed, the supporters of this change came in the form of smaller farmers that relied on the MSP for the sale of their products (Parija & Prakash 2021). This shift in political equilibrium and support for policy and political changes impacted the future of agricultural protection in the Indian sector.

Swinnen (1994) argues that various factors can result in agriculture protection when policy changes are made to expedite economic development via the agriculture sector. Policy failure of the Farm Laws took place in the shape of failure of its implementation. The analysis of the research lays out the different factors that led to this failure of the Laws. These factors, in the case of the Farm Laws, did not positively affect the sector and were not well received by the main stakeholders of the policy. Structural changes brought to the sector's functioning in the shape of reform did not result in agriculture protection and made the farmers more vulnerable than before. It can be argued that the Laws were passed in a hasty manner and proper

mechanisms for smooth functioning were not in place. Referring back to the example of the state of Karnataka and their implementation of the e-NAM, it can be seen that the presence of institutions, infrastructure and investments proved to be beneficial for the function of the e-NAM reform. Since these three factors were not adequately addressed and present in the case of the Farm Laws, their implementation failed. The analysis gained from the literature review conducted to analyse the Farm Laws based on the Karger and Stoesz (2006) policy analysis framework also contributes to this discussion since the empirical data aligns with the decision-making theory posed by Swinnen (1994) and also shows how the failure in the implementation of Laws did not result in an increase in agricultural protection.

### 8. Conclusion

#### 8.1. Research Aims and Findings

To conclude, this study aimed to highlight the underlying factors that led to the failure to implement the Farm Laws and why they were inadequate to modernise the Indian agriculture sector. From the research findings, it can be deduced that the commercialisation and privatisation of the agriculture sector in India, brought with the introduction of the Farm Laws, was a massive blow to the agrarian sector and the farmers. The theoretical framework applied in this study argues for agricultural protection and how it increases when structural changes are brought to the economy when the sector is witnessing economic development, and this increase in protection is a result of various factors. This theoretical framework goes hand in hand with the analytical framework adopted for this research since it embarks on analysing policies by delving deeper into their historical background and problems that necessitated the very creation of the policy. With the utilisation of these two frameworks, along with a literature review around the Farm Laws, it can be summarised that the 'freedom of choice' guaranteed by the Laws was a political ploy which was already in place in the country, and the farmers were allowed to sell their produce, and the freedom was only extended to the buyers under the Farm Laws (Tyagi 2020). The failure of the policies lies at the very heart of their implementation. They were hastily passed at the Parliament, and the proper provisions for their execution were not in place at the time. Farmers feared that this rush, accompanied by the breadth of changes laid out in Bills, would lead to the prices of their crops to plummet and further lower the prices that they receive (Parija & Prakash 2021).

#### 8.2. Implications

Since the Laws were not in place in the country for an extended period of time, their effects on the modernisation of the sector cannot be accounted for in the same way as for other reforms. However, the consequences of this on the agriculture sector can be seen in the form of scholars arguing that this has sent the development trajectory of the sector decades back. The lack of attention paid to the agricultural sector can be seen in the growth levels and how it contributes to the overall economy. Governments' attempt to increase the farmers' income via the Farm Laws was meant to positively impact the overall economy of the country and its path to development. Inviting more private investment to the sector with the goal of modernising the sector would have been fruitful only if the farmers' interests were taken into account (Beriya 2021).

#### 8.3. Future Reforms and Research

In order for the future reforms to be successful, the Government of India needs to build sustainable infrastructures and marketplaces that allow for a swift trade between the farmers and the buyers. Increasing the number of marketplaces would bring more freedom to farmers to sell their products and give them a choice to avail the best possible price for their commodities. MSP needs to be assured by a law which would lead to a more efficient procuring system and assist in improving the farmers' income. It is to be noted that liberalisation and privatisation of the agriculture sector need to be carried out in phases. Since the agriculture sector is core for providing employment to a large chunk of the population, regulations that allow for its sustained growth are essential. Involving corporates and private players in the market would create a profit-based system which would need regular oversight in order to avoid exploitation. Although private investments are an ideal step towards the development of the sector, they would require careful vigilance by the government (Tyagi 2020). To see more successful reforms in the future, they need to be more thought through, transparent and better explained to the potential stakeholders. In terms of future research, the Laws could be individually analysed to get a more comprehensive picture of each of them and how they impacted their stakeholders. Since this was qualitative research, examining the data in terms of differences in productivity levels, pre and post-Farm Laws could be ideal for assessing the Laws' quantitative impact. Approaching the case study from a different method, for example, through interviews, could be advantageous as well since it would add a new perspective to the study.

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