

Modi government rams half-dozen anti-worker, anti-farmer laws through India's parliament

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Flouting longstanding parliamentary norms and procedures, the Narendra Modi-led Bharatiya Janata Party (BJP) government rammed a half-dozen blatantly pro-corporate farmer and labour “reform” laws through an abbreviated “Monsoon session” of India’s parliament last month.

Three of the “reform” laws are aimed at throwing open India’s vast agricultural sector to the rapacious transnational agri-business corporations and their would-be domestic competitors.

The other three represent an all-out attack on the jobs, working conditions, and rights of the small fraction of workers who work in the so-called formal sector, that is, for large-scale industrial and commercial enterprises.

The new legislation will permit the use of contract labour in virtually all industries both public and private, and in “core” production activities where they were previously banned.

Most egregiously, the BJP government’s “reform” of the labour code erects huge legal barriers to workers organising themselves into unions or waging strikes. As the *Mint* business newspaper observed: “Several startling clauses in the code effectively create a legal regime where strikes are impossible and workers will no longer be free to organise or even participate in peaceful strikes. They will be penalised for doing so and the penalties collected will be used to maintain the social security fund.”

According to various government agencies, at least 90 percent of India’s approximately 450 million workers are employed in what is termed the “informal sector.” The overwhelming majority of these 405 million workers do not have any legal protection. Most earn their livelihood as “self-employed” small vendors or as day-labourers, doing the most menial work.

Out of the remaining 45 million workers in the “formal” or “organised” sector, at most 29 percent or some 13 million workers are regular full-time employees possessing guaranteed benefits such as paid leave, holidays and some retirement benefits.

The highly precarious nature of employment in India, even within the formal sector, was confirmed in the government’s latest Periodic Labour Force Survey (PLFS) 2017-18 released in May 2019. It notes that among regular/salaried workers in the non-agriculture sector, 71.1 percent have no written job contract, 54.2 percent were not eligible for paid leave, and 49.6 percent were not eligible for any social security benefit.

In a transparent attempt to provide “progressive cover” for its

pro-corporate rewriting of the labour code and to exploit the divide between workers employed in the informal and formal sectors, the Modi government has claimed that a central aim of its labour “reform” is to extend some form of “social security,” such as retirement benefits, to informal workers.

This is a sham. Part of the funds for these benefits, as noted in the quote above, are to be stolen from workers who participate in “illegal” strikes. Moreover, these “social security” schemes are at this point entirely notional. What schemes are to be provided and how they are to be funded is to be determined by a future National Social Security Board. Various social support schemes previously announced by the BJP government have provided only the most meagre support, and have frequently been handed over to private for-profit financial corporations to manage.

The Modi government also claimed to be improving workplace safety. But the changes, such as they are, only apply to enterprises employing at least 250 workers. Thus, 90 percent of India’s workers are completely excluded from the ambit of this legislation.

Even for these “larger” enterprises, the maximum compensation an employer would be liable for when a worker is killed on the job, is a measly 100,000 rupees (US\$1,300). In India, at least 48,000 workers perish every year from workplace accidents and further hundreds of thousands are seriously injured.

Under the new labour laws, companies employing fewer than 300 workers, that is the vast majority, will be able to hire and fire workers at will or even shut down altogether. Previously, it was mandatory for companies employing 100 workers or more to obtain government permission before laying off permanent workers.

Eliminating these restrictions, as well as expanding still further the employment of contract labour, have been longstanding demands of both domestic and international capital.

The government made a show of the fact that it retained the obligation of the largest firms to seek government approval before instituting job cuts or shutting down a factory or other workplace. But on closer inspection, this restriction proved to be little more than a ruse. The legislation stipulates that if the appropriate government agency does not respond within 60 days after a company seeks such permission, “the permission applied for *shall be deemed to have been granted*” [emphasis added]. In other words, the employer will have a free hand.

The three agricultural “reform” laws are similarly sweeping, and likewise impose reactionary changes long demanded by the corporate elite.

The three farm bills—which had already been rushed through the Lok Sabha, the lower house of parliament where the BJP and its National Democratic Alliance (NDA) partners have a large majority—were approved by the Rajya Sabha in a voice vote, an inherently undemocratic procedure,

This result was obtained after the Rajya Sabha deputy chairman, a BJP MP, expelled eight opposition members who insisted that the bills first be sent to a parliamentary panel for detailed scrutiny.

The BJP pushed the bills through in the face of massive opposition from farmers, the vast majority of whom work small or marginal plots. Land holdings in India are highly fragmented with over 86 percent of farmers possessing less than 2 hectares (5 acres).

Huge demonstrations of farmers and their supporters took place in the days prior to the bills’ passage. In the northern states of Punjab and Haryana, hundreds of thousands of angry farmers blocked road and rail traffic for a couple of days while braving tear gas and beatings from India’s notoriously brutal police.

The central aim of the new agricultural laws is to destroy the decades-old state-government-managed and regulated agricultural markets known as *Mandis*, which despite their endemic corruption and inefficiency have nonetheless provided farmers a modicum of security by providing them a guaranteed avenue to sell their produce.

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Now, Indian farmers are to be thrown to the mercy of the “free market,” where they will be at a decided disadvantage. The giant corporations through their Indian agents will inevitably use their purchasing power to drive down wholesale prices at farmers’ expense—“savings” that they will not pass onto consumers, but rather use to boost profits.

The big retail and agricultural corporations or other large buyers will also now be allowed to enter into contracts with farmers to grow whatever agricultural commodities these companies demand at a mandated price and quality throughout the country.

In ramming these “reform” bills through parliament, the Modi government postured as a friend of the farmers. It touted the fact they will now be able to bypass “middlemen” in government-regulated markets and directly sell their product to any buyer.

In reality, Indian farmers, except for a tiny minority of the largest ones, will be compelled to sell to village middlemen since large corporations do not buy directly from fragmented small and marginal farmers.

This was demonstrated in the eastern state of Bihar, which in 2006, under a BJP-allied coalition government, eliminated the government-regulated *Mandi* system. A 2014 study by researchers from the University of Pennsylvania Centre for Advanced Asian Studies found that farmers continued to sell their produce to village merchants (in popular parlance in northern India, “*baniyas*”), the trading class that is one of the major political bases of the BJP.

As one of the protesting farmers commented to the BBC’s

Punjabi service: “This is a death warrant for small and marginalised farmers. This is aimed at destroying them by handing over agriculture and market to the big corporates. They want to snatch away our land. But we will not let them do this.”

The stated aim of all of these pro-business measures is to entice investments from transnational corporations at the expense of China, and to boost the country’s World Bank “ease-of-doing-business” ranking from its current 63 to among the world’s top ten.

The opposition Congress Party postured as a determined opponent of the agricultural and labour bills. But it was the Congress that ushered in pro-investor “reforms” in 1991, and until its fall from power in 2014 spearheaded the drive to transform India into a cheap-labour haven for global capital and a “global strategic partner” of US imperialism.

The Congress-led United Progressive Alliance government conjured up schemes similar to those now enacted by the BJP to dismantle the regulated agricultural markets and force the country’s impoverished small farmers to deal with the vicissitudes of the “free market.” But ultimately it did not proceed for fear of mass opposition.

The trade union federations have denounced both the labour and farm “reforms” in the strongest terms, accusing the government of seeking to reduce worker rights to the days of the British Raj. Yesterday, they announced that they will hold a one-day nationwide general strike on November 26 to oppose the BJP government’s “labour reform,” its austerity policies and massive privatisation drive.

Undoubtedly there is mass working-class anger against the Modi government, including over its ruinous handling of the COVID-19 pandemic. But the unions—including the CITU and the AITUC, which are respectively the union affiliates of the Stalinist Communist Party of India-Marxist or CPM and the Communist Party of India (CPI)—have for decades suppressed the class struggle and collaborated in the implementation of the Indian ruling elite’s neo-liberal agenda. One of their central complaints is that the BJP government has refused for several years to convene the corporatist, union-government-business, Indian National Labour Conference.



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