

A Symposium on

Rethinking Globalization Issues and Challenges of Indian Agricultural Sector

On December 14, 2019, Saturday, Hyderabad.



AWARENESS IN ACTION

Globalization has caught our attention in India for around 25 years now. It had an impact on our lives and continues to impact us. There are completely diametrically opposite views that exist today on how to deal with globalization. Though there are different views on what globalization is, most of us recognize the fact that contemporary globalization is more to do with its economic dimension. Given this situation, the question we confront is not about defining globalization or about debating what is right or wrong about this phenomenon of globalization. *It is the question of how we sail in the boat of globalization which is inevitable.* If one starts in this direction, then we would inevitably formulate our inquiries towards how we deal with a massive phenomenon like globalization, when one has little control over it. To take such a question, we start our journey with a humble acceptance that this globalization has both good and bad consequences. With all this awareness, we take a futuristic view and ask, how we see globalization by 2040 which is the 50th year of globalization in India. Here, we affirmatively look forward to set agenda for ensuring that globalization is turned as an advantage for us after 50 years of inception in Indian context.

Globalization and Agriculture Sector

Agriculture is the mainstay of the Indian economy and occupies 2nd place in the agricultural production of the world. Indian agriculture is predominantly rural based with highly scattered landholding sizes. It is a lifeline for more than 58 percent of the population who depends on agriculture and allied activities as the source of employment. Agriculture, Forestry & Fishing registered 2.9 percent growth rate of GVA (Gross value added at basic prices) during 2018-19. After Independence, the Indian agriculture sector has gone through many technological changes including improvisation of seeds, development

of fertilizers and introduction of modern irrigation facilities during the green revolution of the 1960s. And, government policies on the agriculture sector focused on domestic support, introduction, and refinement in subsidies to improve food production to ensure food security in the country. However, these technological changes and agricultural policies could not yield expected results. Then the new economic reforms called globalization during the 1990s promised a resurgence in the economy as well as in the agricultural sector with speedy growth. Initially, the reforms did result in improvement in terms of acceleration of growth in agriculture and trade for agriculture commodities due to the decontrol of fertilizers and a substantial hike in minimum support prices given by the government. But the post-WTO period has witnessed a sharp decline in agricultural production. Further, it has led to a severe crisis worsening the welfare of people who depend on agriculture directly or indirectly. At present, Indian agriculture sector is facing several challenges with regards to technology, infrastructure, remunerative price and competition in open markets.

The establishment of the World Trade Organization (WTO) in 1995 to make the world trade rule-based, transparent and free had major implications for India and its agriculture. The WTO Agreement on Agriculture (AoA) called as 'International Treaty' was one of the main agreements which were negotiated during Uruguay Round in 1993 and a total of 123 countries participated including developing and developed countries of the world. WTO members have taken steps to reform the agriculture sector and to address the subsidies and high trade barriers that distort agricultural trade. The overall aim is to establish a fairer trading system to increase market access and improve the livelihoods of farmers around the world. In the 1980s, the



highly protectionist agri-business in industrial countries fueled by the agricultural export subsidies were dumping surplus production and was thus distorting the world markets. In this backdrop, there was a need to negotiate a new set of multilateral trade agreements.

As the Uruguay Round concluded in December 1993, the WTO designed an Agreement on Agriculture (AoA) to minimize the distortion and maximize the agricultural trade across multiple nations. It was aimed to utilize the food surplus effectively and minimize both the extremes - food dumping and hunger. It was intended to make the **agricultural markets more accessible** to the farmers around the world by cutting down on tariffs, **reducing domestic support and eliminating export subsidies**. The act was ratified in Morocco next year and was implemented from January 1, 1995. The agreement called for reduction commitments by both developed and developing countries over a fixed deadline (Year 2000-Developed and Year 2004-Developing), whereas LDCs-Least developed countries were exempted.

There was a **special and differential treatment** clause to address the concerns raised by developing countries. However, the implementation did not turn out to be a fair deal for developing nations. Instead of an equal trading market that was proposed, the lopsided Agreement on agriculture was drifting developing nations in an unjust state. Worst affected by this development were the farmers with small landholdings and peasants with their income dependent on agriculture from developing countries since their products can now be substituted with cheaper imports. Industrialized economies were able to protect their producers with the existing support whereas the relatively behind-markets of developing nations were opened for trade liberalization.

There was rampant misuse of the concept of equal trading market and market by industrially developed exporting countries. They have

started dumping their products in the importing countries, resulting in a serious threat to the economy of developing countries especially to the agriculture of India. Given this scenario, it is imperative to provide domestic support to Indian farmers and it is very much necessary to protect the Indian agriculture sector for safeguarding the country.

Since WTO, there has been a series of development in global market dynamics. Changing technology and the geopolitical dynamics had impacted the Agricultural market in India in an unprecedented manner. Whatever may be the consequences of such a change, today what we see is the crisis in the field of Agriculture. The challenge for the future of India is to allow all the technological change, be competent in the global agricultural market and yet sustain and enrich our agriculture sector which caters to the need of more than half of the population of this country. For a country like India, Agriculture is not just an economic and livelihood opportunity, but it also is an important site of transmitting our culture and diversity. Therefore, how do we reflect on Agriculture sector in a manner which allows this sector to be competitive in the globalized world and yet rooted in its culture is the main concern of the future vision.

About the Symposium

With this background, **Awareness in Action (AiA)** would conduct a symposium on “Rethinking Globalization: Issues and Challenges of Indian Agricultural Sector” as the main theme. This symposium particularly focuses on Agreements on Agricultural (AoA) policies and practices including Market Access, Domestic Support and Export Competitiveness keeping in view the concerns of the Indian agricultural market. Hence this symposium aims to have three sessions to engage and discuss these following critical issues;

Rethinking Globalization Issues and Challenges of Indian Agricultural Sector

1. *Globalization and liberalization policies in Agricultural Trade*

The first technical session is expected to examine the trade policies of India, trends in agricultural exports and imports since globalization period, quantitative restrictions in exports and imports, the practical problems in promotion of agricultural commodities exports, and to find out the modest ways to resolving the present impediments in order to develop Indian agriculture sector into sustainable and a vibrant sector.

2. *Tariff and Non-tariff barriers in Global Markets*

The second technical session would focus on import licensing, anti-dumping duties, countervailing measures, product standards, testing, labeling, certification issues and other related problems with possible solutions to protect and promote the Indian agriculture sector.

3. *Subsidies and Food Security – Issues and Challenges*

The third technical session deals with domestic support for the farmers, export subsidy programs, stocks of food grains for distribution of food to the poor and needy consumers, stabilize the

prices for food grains through open market sales since globalization period.

These three technical sessions are aimed to show the ways to minimize the existing problems of the Indian agricultural sector by considering its massive contribution to the development of the economy as well as employment in a present globalized era.

About AiA and Symposia

Awareness in Action (AiA) is a non-profit think tank, which is keen on achieving social transformation by bringing awareness and knowledge about our social world into action. From the past 16 years, awareness in action has been actively involved in bringing common people, experts, policymakers together to ensure that brilliant ideas are put to use for the betterment of the world. As a part of our ongoing initiative of bringing various stakeholders in different domains of the society to see tangible outcomes for social change, we are organizing this symposia series across India, throughout the year and this symposium is the fifth one on rethinking globalization where our focus is on Agriculture sector.

Please visit www.awarenessinaction.in for registration

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