



JOINT ACTION COMMITTEE AGAINST FOREIGN RETAIL AND E-COMMERCE

*JACAFRE is a joint platform of mass organizations of traders, distributors, hawkers, farmers and workers
A list of more than 100 organisational members is at www.JACAFRE.org*

11th January, 2021

Open letter by 'Joint Action Committee Against Foreign Retail and E-commerce' (JACAFRE) on farmers' agitation

Respected Shri Narendra Singh Tomar, Minister of Agriculture & Farmers Welfare

Respected Shri Piyush Goyal, Minister of Commerce & Industry

'Joint Action Committee Against Foreign Retail and E-commerce' (JACAFRE) was formed in 2018 to resist the entry of foreign corporation like Walmart and Amazon into India's e-commerce market. Now, some Indian mega-corporations, like Reliance, are going down a similar path of exploitation if not extermination of small traders, partnering with global tech corporations like Facebook and Google. We stand equally in opposition to their ill-intentioned efforts.

Three new farm laws have been passed by the Parliament of India in September 2020, namely (i) The Farmer's Produce Trade and Commerce (Promotion and Facilitation) Act, 2020, (ii) The Farmer's (Empowerment and Protection) Agreement of Price Assurance and Farm Services Act, 2020 and (iii) The Essential Commodities (Amendment) Act, 2020. They centre on enabling and facilitating unregulated corporatisation of agriculture value chains, and thus of livelihoods dependent on agriculture. In this process, farmers as well as small traders of agricultural produce become subservient to the interests of a few agri and e-commerce giants. It is not just those traders who directly participate in Agricultural Produce Market Committee (APMC) *mandis* which get adversely impacted. Removal of possibilities to cap stock limits in the Essential Commodities Act, for instance, seem aimed at allowing a few giant corporations to dominate the entire procurement and trading chain for agri produce at the expense of small and medium traders.

The Government of India, and many state governments, seem intent on pursuing a new economic model where a few giant corporations, through digital or e-commerce platforms, closely control all 'small economic actors' in any value chain – be it primary producers, like farmers, or traders, SMSEs (small and medium scale enterprises), and small service providers (like taxi-drivers on Uber). All these 'small economic actors' are to be driven into a position of subsistence level existence if not complete elimination from their economic roles. Many traders have had to shut shop because they could not stand the onslaught of giant e-commerce corporations; others have seen greatly diminished revenues.



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Employing data pertaining to the dependent ‘small economic actors’, these giant digital commerce corporations begin to exercise a 360 degree control over them. This is achieved through managing their physical as well as informational inputs, operating ancillary services like warehousing, logistics and payments, and controlling the all-important supply of credit, through minute access to all financial, trade and production data. Such new models of 360 degree panoptic, digitally-enabled, control by a few corporations over all small and dependent economic actors – be it traders, farmers, MSMEs or small service providers – is unsustainable and must be urgently checked. The farmers’ agitation needs to be seen in this larger perspective. If the new farm laws are closely examined, it will be evident that unregulated digitalisation is a very important aspect of them.

Taking forward a thinking and process that earlier governments at the centre, and many state governments, have also been pursuing, the present government unfortunately has formalised them into new provisions and laws regarding e-commerce and agriculture markets.

The government should urgently consult all stakeholders – traders, farmers, MSMEs, and others – towards a holistic new economic model where all economic actors, small and big, are assured their due and appropriately valued role. These small economic actors cannot be allowed to be reduced to being helpless agents of a few corporations, controlled closely through data and digital means. We need a completely new thinking in this regard.

Governments must step in to mitigate the ill-effects of wholesale corporatisation of erstwhile independent economic actions and actors, like farmers and traders. They need to provide (1) supporting institutions, like APMCs, and government supported e-commerce platforms like eNAM and ‘Open Network for Digital Commerce’; (2) protective regulations like banning e-commerce platforms from trading on themselves, and caps on hoarding agri produce; and, (3) direct interventions in pricing and value share mechanisms, like curtailing predatory pricing and forced discounts on e-commerce platforms, providing Minimum Support Price (MSP) for farm produce, and limiting the cut taken by transport platform companies (Uber, Ola etc.).

All such governmental interventions are essential to keep our economic system fair to all actors against the onslaught of super-powerful digitally enabled mega-corporations. Government is already doing many of these things, but they should all be made consistent and brought under one holistic economic model.



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We appeal to the government that it should urgently address the issues raised by those farmers asking for the three laws to be repealed, by at least holding the new farm laws in abeyance and giving them a full re-consideration. Specifically from a traders' point of view, the role of small and medium traders all along the agri produce value chain has to be strengthened and protected against its unmitigated corporatisation. The government must *inter alia* strengthen APMCs and remove the tax that is levied on trade undertaken in APMCs. There is no doubt that with passage of time there has been considerable distortion in the way APMC mandis work, but the need of the hour is to improve their working rather than destabilize them.

The government should indeed utilise this opportunity to re-visit the entire economic model where a few digitally-powered mega corporations are to have complete control over every economic sphere and sector. But the government seems to be withdrawing from its role of active economic regulation, protection and promotion. All stakeholders need to sit together to explore alternative economic models where every actor in economic value chains has sufficient control and agency over its specific sphere of contribution, and economic exchanges and value shares are fair and just to all.

We offer ourselves to contribute to any such constructive exercise, which should be initiated as soon as possible. Such an exercise is what will really contribute to a *Bharat* which is *Atmanirbhar* and *Mahaan*.

Sincerely,

Joint Action Committee Against Foreign Retail and E-commerce

Bhartiya Udyog Vyapar Mandal

Federation of All India Vyapar Mandal

Federation of All India Distributors Association

Chamber of Associations of Maharashtra Industry and Trade

Forum for Trade Justice