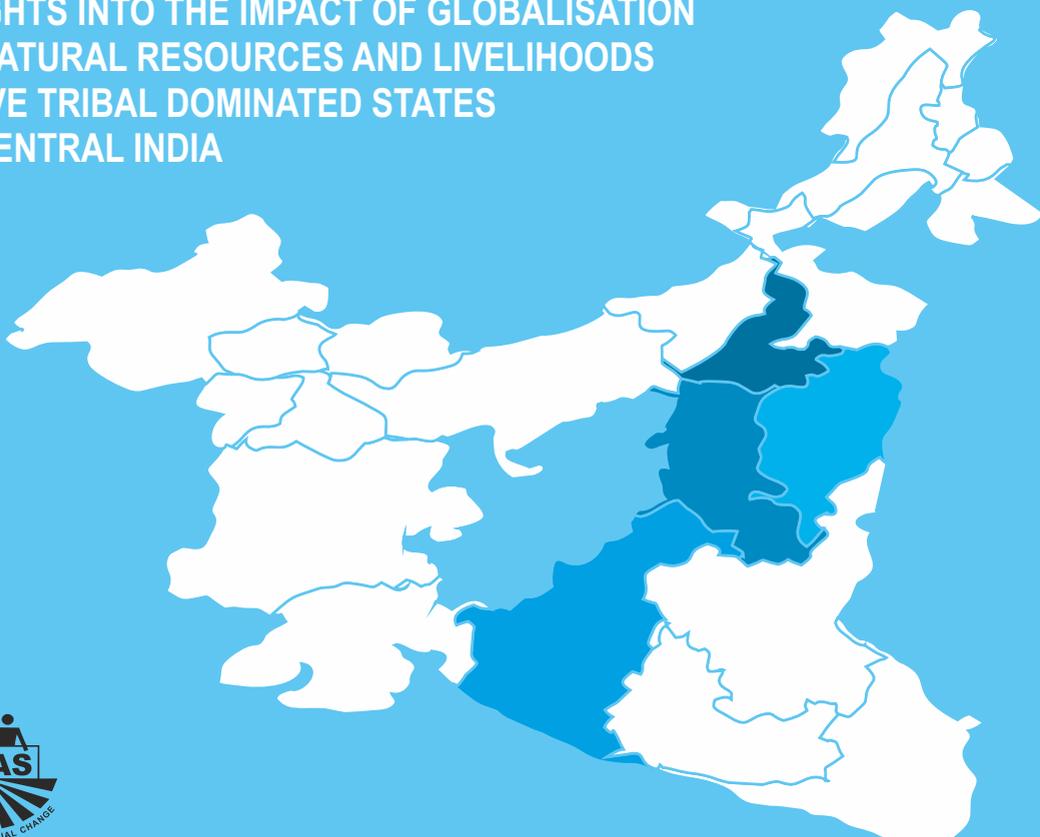


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## GLOBALISATION GOVERNANCE AND GRASSROOTS

INSIGHTS INTO THE IMPACT OF GLOBALISATION  
ON NATURAL RESOURCES AND LIVELIHOODS  
IN FIVE TRIBAL DOMINATED STATES  
OF CENTRAL INDIA



July 2013





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**NATIONAL CENTRE FOR ADVOCACY STUDIES**



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# GLOBALISATION, GOVERNANCE AND GRASSROOTS: INSIGHTS INTO THE IMPACT OF GLOBALISATION ON NATURAL RESOURCES AND LIVELIHOODS IN FIVE TRIBAL DOMINATED STATES OF CENTRAL INDIA

## A. INTRODUCTION

The National Center for Advocacy Studies (NCAS) undertook a major action-research study on governance of natural resources in the central Indian Adivasi belt of five states: Maharashtra, Madhya Pradesh (MP), Chhattisgarh, Jharkhand, and Orissa, with the aim of arriving at a systematic understanding of the processes of globalisation, and its impact on poor, and marginalised communities like Adivasis, Dalits, women etc. Under the purview of the Globalisation, Governance and Grassroots study, NCAS researchers have focused on the process of globalisation with respect to water, land, forests, agriculture, other natural resources, and local self-government bodies.

The studies examine the evolution of policies, Acts, legislations, and rules of the Indian State, and their implementation at the grassroots level, in the pre and the post-liberalisation years. The studies have attempted to shed light on the process by which globalisation has impacted these policies Acts, legislations, and rules. The study provides direct evidence of a consistent and steady transfer of control over natural resources from communities to the State from colonial times, and, in turn, a trend towards the handing over of access by the State to domestic and international profit-making entities in the post-liberalisation period. This has had a significant and largely a detrimental impact on marginalised sections of the population.

The paper attempts to outline/explain globalisation as has been generally understood by the writers of these reports and the impact it has had on national policies affecting the livelihood issues of the marginalised sections of the population. Specifically, an attempt has been made to address the following questions. How are policies changing due to globalisation with respect to agriculture, land, forest, water, other natural resources? The paper also attempts at bringing out the dichotomy between government policies on the one hand and talk of inclusive growth on the other. What are the new institutions that are emerging due to globalisation in the context of managing agriculture, land, forest, water, and other natural resources? What is the role of local governing institutions and Panchayati Raj Institutions? What is impact of globalisation on the marginalised in different geographical areas? What are the strategies for counter globalisation in terms of response and people's movements?

The era of economic globalisation began in 1991, when under pressure from the International Monetary Fund (IMF) and the World Bank (WB), India was forced to adopt structural adjustment programmes (SAPs). The restructuring of the economy has led to a gradual dismantling of government control and regulation. This in turn led to shrinkage in government revenues and expenditures. The worst hit by contracting budgetary allocations has been the social sector comprising education, health, agriculture, poverty, and food security programmes, which has further widened inequalities between the rich and the poor.

In earlier times, globalisation was understood to mean the exchange of cultures, cross-border trade, and migration, while today's economic globalisation, is similar to imperialism and colonialism [Madhumanti, 'Analysis of the Special Economic Zones Policy Within the Governance Framework']. Yogesh Diwan suggests that globalisation may also be viewed as the new face of colonialism. He further observes that it appears the globalising process that has set in is the globalisation of poverty rather than that of development, a phenomenon that is stripping people of the rights to natural resources. Globalisation has affected the structure of society citing the example of small and marginal farmers who are being pushed into the category of landless laborers. [Diwan, 'Perils of Globalisation of Agriculture: A Study']. 'The most direct result of economic globalisation is a massive transfer of economic and political power away from national governments into the hands of the bureaucracies that create it' [Invally, 'Water Commodification in Maharashtra: A Case Study of Hindustan Coca Cola Beverage Pvt. Ltd.', p. 9].

Policies that have emerged since the 1990s pertaining to the use of natural resources in India reflect the ascendancy of neoliberalism. According to Anand Teltumbde, the neoliberal paradigm censures the government role in the economic sphere as the distorter of free markets and promotes 'consumers' to replace those aspects of the government that come in the way of markets [Teltumbde, 'Natural Resources Policies of the Government of Maharashtra', p. 7]. As Anand Teltumbde points out, the current phase of neoliberalism has decreased livelihood options as the price of basic commodities increased without concomitant growth in rural employment.

Globalisation is an expansion of trade in produce, products, and services that was earlier done at subsistence level. The emphasis is on transforming these materials into marketable commodities and creating markets for them.

The discussion that follows looks first at policies that emerged in relation to water and forests. Similarly, policies that relate to agriculture and mining and industry and the role of local self-governing bodies are also discussed.

#### ⊙ Water and Forests

Forests constitute a major natural resource that have traditionally been the source of livelihood for people, especially Adivasis. The forest policies of the global era seek to integrate India's forests into the global market through eco-development [Lahiri, 'From Colonisation to Commodification: The Saga of India's Forests and its People']. In respect of all natural resources, notably water and forests, neoliberalism has apparently promoted decentralisation. There is an apparent thrust toward user management, but only because natural resources are not suited for direct privatisation. While such user participation exists on paper, it is clear that it is a mechanism for subtly bringing back the market ethos. It thus provides for marketisation [Teltumbde, 'Natural Resources Policies of the Government of Maharashtra']. However, at the implementation level, communities do not form a part of the decision-making process, nor are they suitably compensated when they lose access to resources.

### ⊙ Agriculture

The agriculture sector remains the primary occupation of the majority of people in India. With respect to agriculture, globalisation, it has been argued, is geared to changing the agricultural production pattern to suit the requirements of international agribusiness. It has, Jaya Mehta and Vineet Tiwari have noted, exposed Indian farmers to international markets, whether it is for buying inputs or for selling output, this exposure has been to the detriment of small and medium farmers [Mehta and Tiwari, 'Agriculture Policy of Madhya Pradesh: An Analysis']. Yogesh Diwan who has also studied the impact of globalisation on agriculture, suggests that globalisation has affected the structure of society and the small and marginal farmers are being pushed into the category of landless laborers. This, he argues, is evident from the rapidly rising numbers of landless laborers in the agriculture sector [Diwan, 'Perils of Globalisation of Agriculture: A Study']. In addition, agricultural produce marketing 'reforms' have further alienated small and marginal farmers as evident from the functioning of e-choupals that systemically exclude smaller farmers with little produce.

### ⊙ Mining and Industries

Mining resources are an important natural resource, Globalisation has led to an industrialisation boom while causing a downtrend in the agricultural sector. The entry of foreign capital in mining and steel plants has occurred at a fast pace. This has been accompanied by an indiscriminate exploitation of mineral resources and an indiscriminate use of water. That globalisation brings about changes in economy, livelihood, lifestyles, and politics has been noted by some researchers in this study

[Mishra and Desai, 'GM Crops and Globalisation: A Study of BT Cotton in Western Madhya Pradesh']. The promotion of foreign capital in mining indicates the force with which the globalisation process is moving and the resulting environmental degradation and scarcity of such natural resources such as water is evidence of the detrimental impact of globalisation. As Ranjan Panda points out elucidating the case of Orissa, economic 'reforms' in the state have adversely affected the water resources sector as well [Panda, 'Diversion of Water from Irrigation to Industries: A Case Study of the Hirakud Reservoir'].

Moreover, globalisation promotes a pattern of industrialisation that relates less with development and more with the imperative to compete and win, where the State becomes a facilitator of these activities [George, 'Mined In! Mined Out! & Mined Off!!']. Globalisation thus creates social, economic, and political structures whose patterns of production and consumption are socially destructive [Invally, 'Water Commodification in Maharashtra: A Case Study of Hindustan Coca Cola Beverages Pvt. Ltd.']. It is, in effect, a worldwide campaign that is leading to an economic order dominated by the corporate trade companies, which are not accountable to democratic processes or national governments [Mishra and Desai, 'GM Crops and Globalisation: A Study of BT Cotton in Western Madhya Pradesh'].

### ⊙ Local Self-Governing Bodies

Not all writers share concerns about the harmful effects of globalisation, while some believe that as a process it cannot be rolled back. From their point of view, over time, the debate about globalisation has shifted to the degree of

globalisation that is good for the country. Dhanmanjiri Sathe in her report for this study has argued that like all processes, globalisation provides both opportunities and challenges [Sathe, 'Globalisation and the Panchayati Raj Institutions: A Case Study of Maharashtra']. Different people, categories, political, social and cultural processes are affected in different ways. Moreover, globalisation does not occur in a vacuum, but each country has a set of initial conditions, which are peculiar to it. Thus, the manner in which globalisation is experienced also differs across countries [Sathe, 'Globalisation and the Panchayati Raj Institutions: A Case Study of Maharashtra']. Local self-governing bodies were empowered under the 73rd and 74th Amendment of the Constitution, which was enacted in 1991. Even when post-globalisation modifications of water, forests, and land-use policies speak of 'user participation' and participatory management, grassroots level investigations show that local self-governing bodies are not consulted in the decision making or involved in the implementation process. However, access to public amenities of a globalised village vis-à-vis a non-globalised one may be enhanced, as Sathe has attempted to show in her study (see box below), but further research would be needed to find whether such a positive impact is observed in the majority of cases.

### **Study That Found Positive Effects of Globalisation**

In this study on the impact of globalisation on the lowest rungs of governance, namely Panchayats, 'governance' is defined as the provision of basic public goods and governance is said to be 'better' if marginalised sections have better access to these goods. Specifically relating globalisation to access of the marginalised to drinking water, toilets, gutters, school education, primary health center (PHC), electricity, roads, and the rationing shop, the study investigated such access for a traditional village (Morbaji), a commercialised village (Ankali), and a globalised village (Savlaj). A traditional village is one, which produces for self-consumption, a commercialised village is one that produces for sale in the domestic market, while a globalised one is that which has become integrated with the internationalised market. The study found that access of the marginalised to public services was greater in the commercialised village as compared to the traditional one, and it was greatest for the globalised village. This tends to indicate that in this respect 'governance' gets 'better' with globalisation. However, research on a larger scale would be required to confirm whether this is true in all instances.

*Source: Globalisation and the Panchayati Raj Institutions: A Case Study of Maharashtra—Dhanmanjiri Sathe, September 2008.*

## B. POLICY CHANGES AND POLICY IMPLEMENTATION

Authors of some of the research reports have discussed the history of policy changes over time. This section deals with the historical review presented by the researchers, and aims to reveal the direct influence of global influences on policies, Acts, legislations, and rules that deal with the governance of natural resources. While discussing history of evolution of policies, Acts, legislations, and rules, that deal with natural resources, researchers have also noted the general trend of alienation of the marginalised groups from access to community resources. Thus, the evolution of natural-resources-related policies, shows the State-facilitated trend towards transfer of control of natural resources away from communities and in favour of private interests represented by domestic and international profit-making entities.

With respect to forest-related legislations and policies, a number of these date back to the colonial period. These have not only continued to have relevance, but also appear to determine much of the approach to forests and the use of forest produce. As Lahiri has pointed out, Forest Acts of 1878 and 1978, and the Forest Policy of 1894, facilitated strengthening of the new order [Lahiri, 'From Colonisation to Commodification: The Saga of India's Forests and its People']. There are other policies, Acts, legislations, and rules that go back to the early planning period. The period saw a shift in favor of industries as against agriculture which dominated the rural economy. Thus, in the early fifties, several policies were introduced and Acts and legislations passed that favoured industries and gave less priority to agriculture in general, and neglected the interests of small and medium farmers and landless agricultural labor, in particular.

As this section will show, the changes in the government's attitude and approach to the utilisation of natural resources is evident from the new policies formulated and enunciated over the last two-and-a-half decades. This shift in the approach finds expression in White Papers and the formulation of Acts, special regulations, and rules where none may have existed before, and the introduction of new or modified guidelines about the utilisation of natural resources. The implementation of these policies at the ground level confirms that the objective of new and modified legislations is for the sole purpose of the facilitation of the entry of foreign and domestic profit-making entities. The accelerated pace with which policies, Acts, legislations, and rules have been modified or newly formulated points out to the significant impact of or pressure of globalisation on national governments.

As the following discussion will reveal, there has appeared a consistent pattern in the enactment of policies, Acts, legislations, and rules to create an enabling environment for the transfer of control of natural resources from local communities to private interests brokered by the State in the post-liberalisation era. Drastic shifts in national policies, Acts, legislations, and rules have coincided with the immediate need for permitting a multinational corporation (MNC) access to a given resource. This opening of the exploitation of national resources to private multinational entities is consistent with the policy thrusts emanating from economic globalisation. The rapid pace with which changes in policies, Acts, legislations, and rules are occurring in the current phase of an intense and persuasive globalisation vis-à-vis the earlier phase of a more subdued globalisation has witnessed the commodification and privatisation of water, forests, land and such other natural resources.

This gives rise to the belief that the purpose of these changes is to hand over power over resources to markets and accelerate the pace of take over of these resources by multinationals. It is further reinforced when the contradictions between the rhetoric of these policies, Acts, legislations, and rules on the one hand, and ground-level realities on the other, become apparent. For instance, some of these speak of user participation but ground-level observations indicate that communities are denied any role in the decision-making process and are in the process systematically alienated from access to natural resources while private corporate players, domestic, as well as international are given easy entry.

#### © Water and Water-Related Policies:

A vital natural resource, water in India is a state and not a union subject. However, the extent to which the Centre exercises its influence on this is evident from the first National Water Policy (NWP) enacted by the Central Government in 1987. The second NWP was enacted in 2002, and the third one was formulated in 2007. It is important to remember that no major policies were introduced for nearly four decades after independence and during a period when the centralised planning regime was at its most active. That the government should formulate three water policies in a matter of just two decades and during the period when globalisation was emerging as a worldwide phenomenon and its subsequent consolidation is a clear indication of the manner in which globalisation has had a bearing on the functioning of the government.

Given that water is a state-level subject, the NWP requires that states should enact their very

own water policies. The actual water allocation and distribution norms are determined by specific states. A glaring gap in water policies is that they cover only surface water but exclude ground water. Since the time the first water policy was introduced, it has been deemed that the State owns the surface water, while ground water ownership goes along with land ownership. The content of the National and different state policies affirms that these policies are influenced by the process globalisation which has seen increased commodification of natural resources and privatisation of control over these.

**Orissa:** Orissa was the first to enact a State Water Policy (SWP) in 1994 based on the 1987 NWP. The Orissa SWP 1994 stated that all available water resources of the state were owned by the Orissa Water Resources Department, while riparian rights of citizens and farmers were not mentioned. Also, if this Department owns the water it should be responsible for flood relief, but finds no mention in the policy. When the Centre enacted the second water policy in 2002, the state came up with the SWP of Orissa 2003. Again, water has been defined as a state asset allowing the state to sell it or lease it out, a clear influence of globalisation on policy making. Moreover, the state has been granted the right to provide subsidies in water allocation, while it taxes poor farmers as a matter of 'financial compulsion'. It is clear that corporate houses with money power will have the advantage of constructing dams, while people will not be allowed to do so. In most states, the 73rd and 74th amendments of 1993 gave local governance bodies in rural and urban areas the added responsibility of managing drinking water and sanitation, but the SWP draft of 2003 does not assign local bodies a role.

Similarly, the 2001 Orissa Industrial Policy, while allowing water supply to upcoming industries from irrigation sources, did not take into consideration the likely adverse impacts such grants will have on agriculture that is dependent on such sources. The situation relating to irrigation in the Hirakud command area was in a crisis state even prior to the rapid phase of industrialisation.

**Maharashtra:** The Maharashtra State Water Policy (MSWP) was enacted in 2003. It altered the priorities in water allocation from agriculture and hydropower to industrial, commercial, and agro-based industrial use. The concept of pricing of water was introduced, a clear attempt at water commodification in keeping with the norms of globalisation. The pricing of water was envisaged to be sufficient to cover administration, operation and maintenance, and delivery costs, such that capital costs incurred would also be recovered. The Maharashtra Water Resources Regulatory Authorities Act (MWRRA) was also enacted in 2005 to regulate sectoral allocation and water rates. The Maharashtra Management of Irrigation Systems by Farmers Act (MMISF) enacted in 2005 aimed at strengthening Water Users Associations (WUAs). These Acts profess to bring about a comprehensive regime of decentralised Participatory Irrigation Management (PIM). The PIM model in Maharashtra adopted the volumetric system, which enables payment for water actually used. Notably, a major departure from previous policies was that industrial/commercial use of water was granted the second priority, while agriculture was pushed to the third position, clearly revealing the influence of the development paradigm being vigorously promoted by globalisation.

#### ⊙ Land Distribution Policies:

In a densely populated country like India, land is a scarce resource. Moreover, India being a primarily agrarian economy, policies that relate to land distribution play a major role in lives of a majority of people who are dependent on agriculture for their livelihood and survival. In the pre-globalisation period, policies broadly aimed at a more equitable distribution of land, although the manner in which specific states implemented policies differed, and the political will towards equitable distribution was often seen to be half-hearted. However, globalisation has adversely affected the principle of equitable distribution as evident from notably, the single-most important land-related enactment namely the Special Economic Zones (SEZs) Policy.

#### ● Post-Independence Policies:

**National:** Since independence, national policies had aimed at the abolition of intermediaries, tenancy reform, and equitable distribution through land ceilings (1950-1972), bringing uncultivated land under cultivation (1972-1985) and water and soil conservation (1985-1995), the goals being in keeping with the needs of the people and the socialist thinking of the governments of the time. The Land Ceiling Act was an instrument for carrying out these reforms, but has recently been repealed by the Central Government. The Land Acquisition Act of 1894 provided for the acquisition of land for any public purpose while stipulating the procedure for the same. The Urban Land Ceiling (ULC) Act of 1976 was aimed at preventing hoarding of land in private hands but was scrapped by the Center in 1999.

**Maharashtra:** In Maharashtra specific land-related Acts, in the state include the Maharashtra Agriculture Lands (Ceiling on Holdings Act) of 1961. This was amended in 2003. The amendment made it possible to allow re-granting of land to original owners i.e., returning surplus land to the landlords. Thus, surplus land that had been acquired by the Maharashtra State Farming Corporation Ltd. (MSFC) was returned to landlords who previously owned it. In contrast the ULC Act of 1976, which was scrapped by the Center in 1999 was not scrapped by Maharashtra which has resulted in the freeze of large areas of land in legal disputes, with these land tracts remaining unusable adding to urban land scarcity among burgeoning cities. A further anomaly in the approach to land use in Maharashtra is to be found with respect to the Maharashtra Private Forests (Acquisition) Act, 1975 which provides transfer of lands in private possession and notified as forests to the Forest Department. At the ground level, however, it is seen that most of these lands are agricultural lands in use by the poor, particularly Dalits and Adivasis. The implementation of the Act nullifies benefits accrued to the landless through land distribution and tenancy reforms in the past [Teltumbde, 'Natural Resources Policies of the Government of Maharashtra', p. 18].

**Madhya Pradesh:** In MP, the state governments, in the first couple of decades after independence, introduced land legislations with a view to ensure distributive justice. The system of intermediaries had previously been abolished by the Zamindari Abolition Act and Abolition of Jagirs Act of 1951, and by the Madhya Pradesh Abolition of Properties Act of 1950 [Mehta and Tiwari, 'Agriculture Policy of Madhya Pradesh: An Analysis', p. 13]. The rights to intermediaries' estates were transferred to the government and

in addition tanks, ponds, water channels, wasteland, community land, village forests, etc., were also transferred. No subleasing of land was permitted, with provisions that if such leasing occurred, the lessee could become the occupant tenant, and the landowners rights would accrue to the occupant tenant in due course. As stated by Jaya Mehta and Vineet Tiwari, two legislations were enacted to ensure an equitable land distribution, namely Madhya Pradesh Ceiling on Agricultural Holding Act, 1960, and Madhya Pradesh Ceiling on Agricultural Holding Act, 1974. The first proposed a ceiling on land in excess of 10.12 standard hectares. Thus, it is clear that in the pre-globalisation years, distributive justice was the sought goal. In the post-liberalisation era policies such as the SEZ policy have effectively overturned this attempt at distributive justice. Notwithstanding, the various legislations that aimed at distributive justice with respect to land, there were problems with achieving the goal completely due to inadequate implementation and loopholes to circumvent the ceiling, since there were categories of landholders that were exempted from the ceiling. Tea and coffee plantations sugarcane farms, orchards, and efficiently mechanized farms were excluded. The 1974 amendment provided more loopholes since it declared that only transfers made to avoid ceilings after January 1971 would be declared void. Hence, all transfers from 1960 to this date were automatically given a clean chit. Land reforms succeeded in abolishing the landlord classes to a large extent, but did not bring about complete distributive justice [Mehta and Tiwari, 'Agriculture Policy of Madhya Pradesh: An Analysis', p. 15].

⊙ Agricultural-Production Related Policies:

While land-distribution policies affect lives of numerous people, agricultural-production related policies also play a key role in an agrarian economy like India. As in the case of land-distribution policies, policies, Acts, legislations, and rules relating to agriculture production may be divided into those that were made prior to globalisation, and those made post globalisation.

● Pre-Liberalization Policies:

**National:** According to Mehta and Tiwari, scholars have divided the agriculture policy frame in the country after independence into three distinct phases. The first two phases can be clubbed together as pre-globalisation policies, while the third phase would distinctly fall in the post-liberalisation period. In the first phase from 1951 to the mid 1960s, land and institutional reforms as well as development of major irrigation projects were the thrust at the national level. In the second phase ranging from the mid 1960s to the 1980s, technological breakthroughs in production of rice and wheat through high-yielding varieties (HYV) in Punjab, Haryana, and Western Uttar Pradesh (termed green revolution) was the mainstay of agricultural reform. In the 1980s, the spread of HYV to other crops and the rest of India was observed.

**Madhya Pradesh:** The Madhya Pradesh Krishi Upaj Mandi Adhiniyam was enacted in 1972 by which a separate license is required for sale of agricultural produce, which must be brought to the market yard to be sold and not be sold at any other place. The enactment was intended for preventing the exploitation of small farmers and

also to prevent distress sales at exploitative prices, but owing to the entry of multinational companies such as the Imperial Tobacco Company (ITC) in the branded packaged food business, small and medium farmers were unable to benefit from the Act.

● Post-Liberalisation Policies:

**National:** The third phase began in the early 1990s. After the Uruguay Round of 1994, all quota restrictions on import of agricultural commodities were removed. The first phase was designed to get rid of feudal land relations, the second to assist peasant proprietors to strengthen themselves, and the third to open up unlimited vistas of profit making for peasant proprietors. Significant changes in the agrarian sector with the onset of globalisation were reductions in import duties on agricultural products, removal of minimum export price, lifting of quantitative restrictions (QRs) on agricultural products, thrust on export oriented agriculture and entry of Foreign Direct Investment (FDI) with 100% equity. The corporate sector, especially multinationals, made inroads into agriculture in a big way, taking control of farm inputs and output markets. The New National Agricultural Policy (NAP) of 2000 emphasised greater private sector participation through contract farming, price protection for farmers through insurance, and dismantling restrictions on domestic movement of agricultural commodities. The entry of private corporate players was sought to be given teeth through the Agriculture Produce Marketing Committee Act (APMC) enacted by the Central Government and modified in 2000. APMC ostensibly aimed at removing middlemen or ahartiyas. The act called for abolishing the mandi tax and permitting farmers to sell their produce

outside mandis. The amendment resulted in the government having no or little record of the agricultural operations taking place outside mandi premises. In January 2003 further reforms were proposed in the area of agriculture marketing, contract farming, land leasing in the farm sector

**Madhya Pradesh:** As mentioned previously, the Madhya Pradesh Krishi Upaj Mandi Adhiniyam, which had been enacted in 1972, promoted the entry of multinational corporations like the Indian Tobacco Company (ITC). Thus, the much talked about e-choupals promoted by private companies catapulted themselves successfully in agricultural business. These companies act as intermediaries. ITC started buying soy grains at collection centers, but their hubs have electronic weighing facilities where the entire lorry carrying the grain is weighed first with the produce, and then minus the produce to determine weight of produce. This procedure automatically excludes small and medium farmers that carry produce less than a whole lorry full. Small and medium farmers that cannot afford certified seeds also fall short in terms of quality of produce and are excluded from the hubs. Over time, ITC set up as many as 1750 e-choupals in MP between 2000 and 2004. The presence of ITC e-choupals clearly illustrates the feature of globalisation where farmers are exposed to international markets for purchase of inputs and for sale of output [Mehta and Tiwari, 'Agriculture Policy of Madhya Pradesh: An Analysis', p. 15]. ITC procures coffee in Karnataka, wheat in Uttar Pradesh, and fish and prawns in Andhra Pradesh. MP leads the country in the practice of contract farming and globalised agriculture. The Madhya Pradesh Krishi Upaj Mandi Adhiniyam 2003 has legalised contract farming.

**Orissa:** Clearly impacted by globalisation, the Orissa government formulated an Agriculture Policy in 1996 with a view to double production of food grains and oilseeds. Ironically, the slide in the state's agricultural sector has become rapid after the enactment of this policy [Panda, 'Diversion of Water from Irrigation to Industries: A Case Study of the Hirakud Reservoir', pp. 14 and 15]

#### ⊙ Forest Policies:

As mentioned previously, forests are an important natural resource. Forests play a major role in maintaining ecological balance and preserving the environment. Policies that deal with management of forests are therefore crucial. Moreover, indigenous groups are dependent on forests for their livelihood. The historical review of forest-related policies, Acts, legislations, and rules shows that these have enabled the transfer of control from communities to the State. The trend for State takeover of forests was initiated during colonial rule, received further impetus after independence but achieved a rapid pace with the beginning of globalisation. Towards the end of the 19th century, communities and private individuals owned almost 80% of the forests in India. Today, state ownership has increased to 90% of the recorded forest area of a little over 67 million hectares.

**National:** At the national level, the first Forest Act was enacted in 1865 under colonial rule and aimed at facilitating the acquisition of forest areas, while claiming to do so 'without abridging the existing rights of people'. However, it was followed by the Forest Act of 1878, which effectively took away rights of communities, alienating them from forest management.

Moreover, a colonial exercise demarcated all fallow land as 'uncultivated' and declared it as forest, taking away virtually half the landholdings that marginal farmers had toiled over [Teltumbde, 'Natural Resources Policies of the Government of Maharashtra', p. 21].

The first post-independence Forest Policy Resolution was issued in 1952 and continued the provision of centralised state management. The Forest Conservation Act of 1980 aimed at conservation of forests and imposed restrictions on states wanting to de-reserve forest.

In December 1988, the Parliament passed a new National Forest Policy replacing the one of 1952. The new policy's broad aims were said to be the conservation of the environment and national heritage, checking of soil erosion, and sustainable increase in forest tree cover through social forestry. Existing forest lands were to be fully protected and improved while minor forest lands were also to be improved so as to continue to provide sustenance to the tribal population. As with water-related policies, this policy too sought to develop partnerships between state forest departments and local communities, so that privatisation and commodification could be achieved while paying lip service to people's participation [Teltumbde, 'Natural Resources Policies of the Government of Maharashtra', p. 22]. The policy introduced the Joint Forest Management (JFM) approach, although, at the implementation level, it was discovered that local communities were rarely consulted or involved.

**Maharashtra:** In Maharashtra, the original intention of the Maharashtra Private Forests (Acquisition) Act, 1975 was to acquire large tracts of forest lands in possession of big landowners. In practice over the years it has

effectively nullified benefits accrued to landless from tenancy reforms as mentioned earlier. This is very evident from the fact that in Raigad, Sindhudurg, Thane, and Ratnagiri districts, around 3 lakh hectares of agricultural land owned by more than 1 lakh cultivators, mostly Adivasis, has been declared as private forest. The Adivasis and Dalits who occupy land as tenants do not have records, and this land without trees is now said to be private forest land [Teltumbde, 'Natural Resources Policies of the Government of Maharashtra', p. 47].

Maharashtra too adopted the JFM policy in March 1992, in pursuance of the National Forest Policy of 1988. JFM professed its objectives as developing partnerships between fringe forest communities and the forest department. The JFM requires a village level organisation (VLO) of the people for participatory management. However, at the ground level, it is observed that most VLOs are formed through the facilitation of the officials of the Forest Department in place of local NGOs and local community members are not part of the exercise. These then serve as Forest Protection Committees (FPCs). The adoption of JFM therefore suggests that the real intention is to take control of forests from communities by the State. The fact that JFM which was previously confined to degraded forests and non-forest areas was extended to dense forests in 2003, reinforces this belief [Teltumbde, 'Natural Resources Policies of the Government of Maharashtra', p. 23].

**Madhya Pradesh:** In MP, the process of the marginalised people being alienated from their land and livelihood was initiated long before globalisation became a worldwide phenomenon. For example, before the introduction of the Forest Acts, grazing was free ranging.

The introduction of Reserved Forests led to the closure of these forests to the people. In 1951, the malguzari forests were vested in the state following the abolition of property rights, but the Forest Department (FD) made no effort to protect these forests. As a result, almost all forests from which nistar was obtained were destroyed between 1951 and 1961 resulting in forest dwellers extracting resource needs from Reserved Forests, which, in turn, led to eviction and conflict. Around a million of forest-dependent people residing in MP and Chhattisgarh were marginalised in the absence of clarity about lands falling within areas named as the Orange areas [Lahiri, 'From Colonisation to Commodification: The Saga of India's Forests and its People', pp. 31 and 32].

However, under globalisation, the process of alienation of communities from their land and natural resources appears to have been hastened. MP was the pioneer in introducing the JFM program. The state government issued the first resolution in this regard in 1991. The JFM resolution was revised in 1995, 2000, and 2001 and these revisions appear to have been made such that the process of handing control from the community to the State, and in turn, from the State, to corporates, could be facilitated. A ground level case study in the Harda region of MP reveals that villagers have little or no say in formation of FPCs, which also have little or no financial transparency [Pattnaik, *Globalisation and Forest Management in India*]

**Orissa:** As in MP, the process of alienation of the marginalised was initiated early on, before the onset of globalisation. Thus, after independence, due to the absence of proper records, most forest land including land cultivated by Adivasis was recorded as

government land and transferred to the Forest Department. Although the R. N. Rath Forest Enquiry Committee of 1957 recommended that the traditional rights of Adivasis should be looked into, a sub-Committee constituted by the Central Forest Board also submitted its recommendation. Following the dictates of the latter, the Orissa government changed the name of the Orissa Forest Act of 1972 to the Orissa Land Encroachment Prevention Act of 1972. Thus, the Forest Department, without qualms, legally claimed land from Adivasis [Lahiri, 'From Colonisation to Commodification: The Saga of India's Forests and its People', p. 35].

However, once again, in the globalisation era, policies, Acts, legislations, and rules clearly reflect that the pace of commodification of forest produce gathered momentum. The commercialisation of forest resources is evident in Orissa. A review of the policies, Acts, legislations, and rules relating to non-timber forest products (NFTP) and minor forest products (MFP), which include commercially viable items like sal leaf and seed, kendu leaf, tamarind, bamboo, lac, siali leaf, mahul, guar gum, mango kernel, and char seed shows significant changes. A resolution was passed in 2000 creating a what was termed as a 'distinguished sub-category' for MFPs under NFTPs, but certain items like mahul seeds, lac, and bees wax, and nalia grass were not included in the list of MFPs. Gram Panchayats (GPs) were granted regulatory rights over MFPs. However, registration fees for MFPs are to be determined not by GPs, but by the government. Traders must pay a registration fee to GPs as well as the minimum procurement price (MPP) to primary collectors of the item. Prior to this resolution, Adivasis had direct access to these products for their livelihood [Rath, 'Changing

Times and Orissa's NTFP Policy: Analysis and Case Studies].

⊙ Mining Policies:

Policies governing the exploitation of mineral resources were also studied by researchers under the purview of the Globalisation, Governance and Grassroots studies. Their observations reveal trends similar to those observed for policies governing water, forests, land, and agriculture.

**National:** Policies and Acts pertaining to minerals were either newly enacted or amended in the globalisation years. In March 1993, a National Mineral Policy was announced in Parliament, freeing from State control some important non-fuel minerals previously reserved for State undertakings such as chrome, copper, diamond, gold, iron ore, lead, manganese, molybdenum, nickel, platinum, sulphur, tungsten, and zinc. Following this, the Mines and Minerals Act of 1957 was amended in 1994 to allow foreign equity up to 50% in Indian mining companies, a clear indication of transfer of control from communities to the State, and from the State to foreign companies. In September 1994, the provisions of the Mineral Concession Rule 1960, were amended whereby a mining lease was deemed to be renewed until the state government decided on the renewal application, providing a loophole that was further widened in 1999 when the terms of the lease were relaxed. In 1997, the New Coal Policy allowed participation of the private sector in coal mining. Additionally, many states added tax breaks for private sector mining. Significantly, the Environment Protection Act was not amended for ensuring that mining companies adhere to environmental standards. Mining companies of

developed countries therefore find it convenient and more profitable to mine in countries that do not maintain standards [George, 'Mined In! Mined Out! & Mined Off!!', pp. 19 and 20].

**Orissa:** The controversial Pohang Steel Company Limited (POSCO) proposed project in Orissa symbolises State takeover of control of mining and mining-related industries, and a desire to hand over the control to foreign-owned companies [Asher, 'Striking While the Iron is Hot: A Case Study of the Pohang Steel Company's (POSCO) Proposed Project in Orissa'].

**Chhattisgarh:** The Chhattisgarh state Mineral Policy of 2001 created a business environment attractive to private investment, domestic and international. The emphasis on the export orientation of mining was not intended to bring funds for development of the local inhabitants, but rather as international compulsion [George, 'Mined In! Mined Out! & Mined Off!!']. The policy encouraged and promoted the induction of foreign technology for exploration. Although it paid lip service to the environmental aspect by stating that "ecological concerns would be made to conform with local ecosystems" no baseline studies of ecosystems were carried out prior to granting mining leases. Illegal mining and pilferage was also not adequately covered, and the so-called Action Group for this purpose did little to prevent this. For example, complaints against Jindal in Raigarh were not dealt with [George, 'Mined In! Mined Out! & Mined Off!!'].

⊙ Ecotourism Policies:

The term ecotourism was coined by a marketing agency that was promoting Costa Rica as a rainforest destination. The term means environmentally responsible travel and visitation

to relatively undisturbed natural areas. Although ecotourism policies are meant for preserving natural habitats and protecting the environment, researchers from the NCAS studies on Globalisation, Governance and Grassroots affirm that in India, ecotourism policies, which were introduced in the post-liberalisation period, have in fact done little in terms of these desired goals.

**National:** The Ministry of Tourism (MoT), Government of India launched the first Ecotourism Policy in 1998. The cardinal principles of the policy include involving the local community with the aim of economically developing the area, identifying resource-use conflicts for tourism and local livelihood and minimising, making the scale of tourism compatible to the environment/socio-cultural characteristic of the local community, and planning ecotourism as a part of overall development strategy. However, the policy is silent when it comes to the actual role played by communities in need-based planning. As in the case of water and forests, studies show that local communities do not form a part of the decision making process and are rarely consulted or notified [EQUATIONS, 'The Case of Ecotourism and its Impacts in Tribal Dominated Areas in India'].

**Maharashtra:** Maharashtra's tourism policy was launched in 2002, in the globalisation years, but the state does not have a specific 'ecotourism' policy. The tourism policy focuses on incentives to private parties including exemption from luxury tax, entertainment tax, stamp duty for tourism projects, electricity concessions, etc. The Forest Development Corporation of Maharashtra (FCDM), along with the FD, plans to utilise the state's estimated forest cover of 103

sq km for developing ecotourism [EQUATIONS, 'The Case of Ecotourism and its Impacts in Tribal Dominated Areas in India', p. 25].

**Madhya Pradesh:** In 1995, MP announced its Tourism Policy with the objective of promoting Ecotourism and Adventure tourism. In 2001-2002, MP introduced the Eco and Adventure Tourism Policy, whose salient features include involving private participation, while ensuring sustainability and ecological balance. However, the fact that private participants would be entertained on a 'First Come First Served' basis, and the absence of local and community participation in decision making, it is clear that the intention on sustainability and conservation is mere lip service [EQUATIONS, 'The Case of Ecotourism and its Impacts in Tribal Dominated Areas in India', p. 23].

**Orissa:** In Orissa, Pricewaterhouse Coopers (PwC) Pvt. Ltd. prepared a strategy for tourism with funding from Department for International Development (DfID), in 2004. The recommendations of this report on land use inside forests, national parks, and sanctuaries reveal an approach to ecotourism development that has completely ignored community and environmental concerns [EQUATIONS, 'The Case of Ecotourism and its Impacts in Tribal Dominated Areas in India', p. 26].

#### ⊙ Environment Policies:

Although policies that deal with the environment date back to earlier years, it is only since the early nineties that specific environment policies were formulated.

**National:** The Ministry of Environment and Forests introduced the Wild Life (Protection) Act,

1972 and its subsequent amendments with a view to conserve ecologically sensitive areas in the form of protected areas: national parks, wildlife sanctuaries, and community and conservation reserves. The amended Act of 1991 did not require public participation in defining and managing protected areas. However, after becoming a signatory to GATS, the restrictions and limitations to protect areas may be viewed as violating market access commitments of particular countries under GATS. "Therefore, the Ministry of Environment and Forests introduced the National Environment Policy 2006, which is completely pro-industry and pro-liberalisation". The Environmental Impact Assessment Notification has been modified in the 2006 Act, and procedures for environmental clearance have been diluted [EQUATIONS, 'The Case of Ecotourism and its Impacts in Tribal Dominated Areas in India', p. 34].

### ⊙ **Globalisation Policies:**

The term SEZ was first introduced in 1998 within the Exim policy. The SEZ policy aims at bringing forth rapid globalisation by having deemed 'foreign territories' within a state, where laws/policies/Acts dealing with several aspects including land ceilings, labour, octroi, cess, taxes, access to and charges for water, and access to and charges for electricity, do not apply. In other words, SEZs, by definition, are pockets within the nation, that have been granted permission by the state to flout national and state-level policies and laws that apply to other individuals and institutions within the country. The allocation of land is an integral part of the SEZ policy, Therefore, the SEZ policy may be considered a newfound globalisation mechanism for the allocation of land to

multinationals in a manner that flouts existing and more just land-distribution policies which include ceilings on land ownership.

**National:** India's national SEZ Policy was enacted in 2000 to promote economic growth through zones of "world class" infrastructure and minimal governmental regulation. The National SEZ Act was notified in 2005, and the National SEZ Rules were notified in the beginning of 2006 [Madhumanti, Multimodal Infrastructure Hub at Nagpur (MIHAN) Cargo Hub and Special Economic Zone Project at Nagpur, p. 11].

**Maharashtra:** Maharashtra introduced the SEZ Policy in 2001 and the SEZ Act in 2003. These enactments have the following features. Developers as well as industrial units within the SEZs are exempt from all state and local taxes including Sales Tax, Purchase tax, Octroi, and Cess. If such exemptions cannot be given, the taxes paid will be fully reimbursed by the state. Units located in the SEZ were exempt from Stamp Duty and Registration Fees until March 2006, and in certain cases, also from electricity duty for a period of ten years. Independent Power Producers (IPPs) may be established within SEZs for dedicated provision of power, and where IPPs are not established, captive power plants are permitted. These are clearly drastic exceptions to previously established land-distribution and equity norms and indicate the impact of globalisation on policy change [Teltumbde, 'Natural Resources Policies of the Government of Maharashtra', p. 19].

**Madhya Pradesh:** The SEZ Indore Special Provisions Act 2003 (SEZ Indore SP Act) was enacted by the state of MP along with changes, amendments, and notifications pertaining to labor, environment, power generation, state

government levied taxes, state government supplied special services, etc., in addition to such notifications brought in by the Central Government and applicable to all SEZs uniformly (that include customs, excise, etc.). Once again, in a clear contradiction to the principle of equity, the SEZs in the state have been exempted from payment of Commercial Tax, Turnover Tax, VAT, Octroi, Mandi Tax, Purchase Tax, Electricity Cess, Stamp Duty, Electricity Duty and other tax or levy on sale of electricity. Development Commissioners for SEZs have been appointed to enable a single agency clearance to Energy, Home Department, Commercial Taxes, Food and Drug Administration, etc., [Madhumanti, A Case Study of SEZ Indore, Madhya Pradesh, pp. 18 and 19].

### C. ROLE OF MULTILATERAL INSTITUTIONS

To facilitate creation of markets, the WB and IMF forced structural adjustment programs (SAPs) in the early nineties, along with various sectoral reform policies in developing countries like India. In India, natural resources are state-level subjects and it is the states that have the real interface with the public. It is the latter (states, rather than the Centre) that incur the bulk of the 'developmental' expenditure [Teltumbde, 'Natural Resources Policies of the Government of Maharashtra', p. 25] Therefore, as noted by Anand Teltumbde, WB's strategic thrust began to be directed to structural adjustment by state governments. At the same time, structural reforms in the Center had resulted in lowered devolution of finances to states and instead, states had to borrow heavily from the Center. The weakening finances of the states pushed them towards reforms in the form of changed policies vis-à-vis natural resources.

The United States Agency for International Development (USAID) handbook of 2000 talks of shifting the responsibility for public provision away from the state and towards local governments [Teltumbde, 'Natural Resources Policies of the Government of Maharashtra', p. 38]. In order for the local governments to provide services like primary health care, basic education, public security, public utilities, environmental protection, and building regulation, they may be given the power to introduce fees for services as well as borrow funds from national and international sources. Thus, it is clear that decentralisation is not opposed to privatisation, but rather is complementary to it. Therefore, while policies relating to natural resources are seen to have clear linkages with agendas of multilateral institutions, it is observed that newer policies, whether related to water, forest, mining, and other natural resources, claim to have a decentralisation component [Teltumbde, 'Natural Resources Policies of the Government of Maharashtra', p. 39]. However, ground level observations show that decentralisation has been seen to function in a way that relinquishes the State from its responsibilities while leaving disempowered and marginalised groups to fend for themselves.

#### ⊙ **Influencing Water Policies:**

The manner in which multilateral institutions have influenced water related policies has been highlighted by some of the studies. Teltumbde affirms that around the period between 1999 and 2001, the WB and Asian Development Bank (ADB) came up with White Papers on urban and rural water supply and sanitation and introduced concepts like water pricing, which precede policy changes at the national and state level and are

seen to have directly resulted in the 2002 National Water policy as well as the Maharashtra Infrastructure Development Support Act (MIDAS). Previously, the WB lent against projects but after the furore with respect to the Sardar Sarovar Project and Enron, the WB switched from project to sector loans in the area of water. [Teltumbde, 'Natural Resources Policies of the Government of Maharashtra', p. 26].

Madhumanti highlights the influence of WB on commodification of water. Thus, she states that WB channels propagate user charges for water/irrigation, stating that large and medium farmers corner subsidies for water usage, while small and marginal farmers do not benefit. This may not be entirely untrue. However, developed countries advocate full recovery of water charges so as to increase investment opportunities for their corporates. In their own countries, the amount of subsidies that they grant to farmers may work out to be far larger than the entire cost of irrigation of all developed countries [Madhumanti, 'Examining the Agrarian Crisis in the Context of Globalisation: A study of Vidarbha Cotton Farmers, Maharashtra'].

Similarly, Panda has reported on the WB role in commodification of water in Orissa. In Orissa, in March 1994, the Department of Irrigation was rechristened the Department of Water Resources and its scope was expanded. The WB funded "Orissa Water Resource Consolidation Project", 1997, was the beginning of the period of privatisation of water [Panda, 'Diversion of Water from Irrigation to Industries: A Case Study of the Hirakud Reservoir', p. 30].

### ⊙ **Influencing Agriculture Policies:**

Liberalisation of agriculture was carried out under the influence of multilateral institutions. Thus, as Madhumanti observes, under the guidance of IMF and WB, successive Indian governments slashed their expenditure (as a percentage of GDP) on rural development including expenditure on agriculture. Public sector monopoly of seeds ended with the adoption of WB-funded new seed policy in 1988, whose objective was to privatise the Indian seed sector [Madhumanti, *Examining the Agrarian Crisis in the Context of Globalisation: A Study of Vidarbha Cotton Farmers, Maharashtra*, p. 19].

### ⊙ **Influencing Forest Policies:**

As Anand Teltumbde has elucidated, the WB and IMF reports and White Papers relating to natural resources in developing countries clearly reveal the thrust to putting value on natural resources including forests. These, along with NGOs like Forest Trends aim to hardsell the environment market to the international corporate community [Lahiri, 'From Colonisation to Commodification: The Saga of India's Forests and its People', p. 41].

Lahiri has noted the role of multilateral agencies in financing forest projects. He reports that India's forests have received assistance from the Canadian International Development Agency (CIDA), DfID, Danish International Development Agency (DANIDA), International Fund for Agricultural Development (IFAD), USAID, the Food and Agriculture Organisation (FAO), and the ADB. Although the policies promoted by many of these agencies, especially the WB talk about decentralisation and participatory management, studies have shown

that there is little participation of affected groups. JFM even ignores the unique characteristics of forest dwellers including Adivasis [Lahiri, 'From Colonisation to Commodification: The Saga of India's Forests and its People', pp. 43-51].

Similarly, Pattnaik has reported the WB role in MP's forest governance. The MP Forestry Project (MPFP), which commenced in 1995, is the largest forestry project in India, and is funded by a WB loan approximating U.S. \$ 58 million [Pattnaik, *Globalisation and Forest Management in India: A View From the Margins*, pp. 17-18]. The project has been based on the assumption that the use of forests by local communities is responsible for the destruction of forest resources, and therefore applies strategies to reduce the dependence of local communities over forest resources by restricting their access and use of forests [Lahiri, 'From Colonisation to Commodification: The Saga of India's Forests and its People', p. 47]. Indigenous tribal and rural organisations and activist groups have opposed the project [Pattnaik, *Globalisation and Forest Management in India: A View From the Margins*, p. 17].

Regardless of the controversy surrounding WB's forestry projects in India, in June 2004, the WB and the Japanese Government approved a grant for 'Capacity Building for Community Forest Management (CFM)' project, which is likely to materialise into a state-wide CFM project in MP [Pattnaik, *Globalisation and Forest Management in India: A View From the Margins*, p. 19].

#### ⊙ **Influencing Ecotourism Policies:**

The India Ecodevelopment project of June 1994 was based on a study of eight sites selected by the Ministry of Environment and Forests.

This project was funded by UNDP. Of the eight sites, one was dropped due to non-observance of WB norms. The seven locations selected were:

- Buxa Tiger Reserve (West Bengal)
- Gir National Park (Gujarat)
- Nagarhole National Park (Karnataka)
- Palamu Tiger Reserve (Jharkhand)
- Pench Tiger Reserve (MP)
- Periyar Tiger Reserve (Kerala)
- Ranthambore Tiger Reserve (Rajasthan).

A ground level study at Palamu Tiger Reserve in Jharkhand revealed that villagers were not consulted or informed about the progress of the project [Pattnaik, *Globalisation and Forest Management in India: A View From the Margins*, p. 30].

In 2004, PwC prepared the Strategy for Tourism in Orissa for the Department of Tourism, Government of Orissa with funding from DfID, which is indicative of the role of foreign agencies in role in developing ecotourism strategies for Orissa notified [EQUATIONS, 'The Case of Ecotourism and its Impacts in Tribal Dominated Areas in India', p. 26].

#### **D. ROLE OF PANCHAYATI RAJ INSTITUTIONS**

In discussions about what the role of the State should be in developing economies, it is often stated that one of the roles is to create conditions for the development of markets, so that high growth rates are achieved. The second function of the State is the provision of basic public services like sanitation, education, health services, etc., that have high positive externalities. The State must provide these

immediately as in China and Chile, and not wait for overall incomes to rise. Mahatma Gandhi envisaged decentralisation to mean a completely autonomous and self-sufficient village, while Dr. Ambedkar wished to strengthen the State such that it may deliver the public services to the marginalised [Sathe, 'Globalisation and the Panchayati Raj Institutions: A Case Study of Maharashtra'].

Although Panchayats were given due importance in the early years after independence, they were largely neglected during the seventies and eighties. They got a new lease of life in the late eighties when Rajiv Gandhi, then PM, drafted the 64th Amendment in 1989. This amendment was rejected by the Rajya Sabha, but was eventually passed in 1993 as the 73rd and 74th Amendments to the Indian Constitution. These are a principle of statutory recognition of participatory democracy, which is facilitated by the creation, functioning, and empowerment of local self-governing institutions in rural India through Panchayats and other local governing bodies [Sathe, 'Globalisation and the Panchayati Raj Institutions: A Case Study of Maharashtra'].

It is however noted that the revival of the Panchayats has been accompanied by an increase and proliferation in the number as well as type of actors involved in governance at the local level. These actors include NGOs and user groups with varied functions, making the local functioning complex as well as variegated.

The trend of government decisions is toward enhancing 'economic sensibility', which in other words means privatisation, user charges, and commodification in ways that facilitate demands of international projects [Research and Support Center for Development, Panchayati Raj and Marginalised in the Era of Globalisation, p. 11].

### ◎ Panchayats and Water Usage

In general, it is observed that the State can act as a vehicle of globalisation as noticed with respect to water. The State here is a conduit for global forces and may need to be watched with care.

On paper, any water-related project needs the sanction of the Panchayat Samiti, which is expected to issue a 'No objection certificate' (NOC) for any kind of water related projects in the taluka. As per Prasanna Invally's report, in Maharashtra's Wada taluka, Thane district, a Panchayat Samiti objected to Coke company's request to use water from Lohope and Tansa dam, and hence did not issue the NOC to it. However, the company is already a rightful user of water from the Vaitarna river. Another study in Maharashtra state showed an increased number of water scarce villages in the post-liberalisation years and mounting water scarcity although there is a multiplicity of schemes focusing on drinking water supply. It is also evident that water and its terms of distribution have become commodified through new and modified policies.

*1: One needs to note that the WB report on decentralisation was produced in 1980, wherein decentralisation was promoted as a concept that is consistent with liberalisation and is an integral component of the process of structural adjustment and broadly of globalisation itself. As pointed out by Anand Teltumbde, EQUATIONS, and Prasanna Invally, WB-impacted documents that aim at commodification and privatisation of natural resources also speak about decentralisation and devolution of power, and participatory management. As this paper argues, these remain statements on paper, as pointed out by Teltumbde and Pattnaik with respect to JFM, by EQUATIONS with respect to ecotourism vis-à-vis the rights of indigenous people. Similarly privatisation and commodification of water have not shown to be accompanied by decentralisation to Pani Panchayats and other grassroots bodies, as pointed out by Invally, Joy and Kulkarni, Teltumbde, and Panda.*

Pani Panchayat (water co-operative) became a law in Orissa as a prescribed scheme of the WB. In many parts of Orissa, the management of water from dams is done through the Pani Panchayat and is seen to be serving big farmers and ruling party supporters in villages [Samantara, Globalisation and its effects in Orissa].

⊙ **Panchayats and Agriculture**

The study of Panchayats in Maharashtra showed that their role in land and agriculture was extremely limited, being confined to common land and land they owned [Research and Support Center For Development, Panchayati Raj and Marginalised In the Era of Globalisation].

⊙ **Panchayats and Forest Management**

The 73rd Amendment to the Constitution in 1993 and the JFM circular of 1990 focus on conferring rights, roles, and responsibilities in decentralised resource management. While the JFM circular promotes formal natural resource management partnership between the administration and local user groups, the 73rd Amendment transfers the responsibility of management and development of natural resources to Panchayati Raj Institutions (PRIs) at the district, block, and village levels. As Pattnaik has pointed out though, case studies in MP’s Harda region, however, showed that decisions of the JFM Committee were seldom discussed at the village level.

⊙ **Panchayats and Ecotourism**

In their report on Ecotourism, EQUATIONS have stated that with respect to tourism, a majority of tourism requirements rely on 29

subjects vested with the rural and urban local governing bodies. The role of Panchayats in deciding tourism development includes giving permission for:

- land acquisition
- regulating land use
- sourcing of water from the region for domestic, industrial, and commercial use
- construction of roads, bridges, ferries, etc.,
- use of minor forest produce
- electrification
- participation in cultural activities of indigenous people.

However, significant influences in the form of pressure from multilateral institutions have crippled the ability of Panchayats to function as self-governing institutions.

**E. CHANGING ROLES OF GOVERNING BODIES AND IMPACT ON THE MARGINALISED**

As reported by Bidyut and Anuradha Mohanty in their report, a 1997 study by the Institute of Social Sciences for the period 1951 to 1995 showed that the total land acquisition by the state for this period was 23.62 million acres. Of this, about 65% was for dams, about 13% was for miscellaneous purposes, about 17% was for mines, and less than 5% was for industries. Similarly, a study by the Indian Statistical Institute showed that between 1951 and 1990, a total of 1 crore 85 lakh persons were displaced. Of these, almost 76% were displaced for large dams, less than 12% were displaced for mines, 7% were displaced for industrial activity, and the rest were displaced for parks, sanctuaries, and other miscellaneous purposes. The report also states that other studies have shown that about

50% of those displaced were Adivasis and about 15% were Dalits. Clearly, globalisation has had a severe impact in terms of the alienation of the marginalised from natural resources and sources of livelihood.

Moreover, although Rehabilitation and Resettlement (R&R) policies exist, it is found that state governments are apathetic to R&R issues [Mohanty and Mohanty, 'Globalisation Induced Rehabilitation and Resettlement Policy 2006, Orissa: Myth and Reality'].

### ⊙ **Water Crisis and Displacement:**

Mohanty and Mohanty also report that large dams have been the single-most important cause of displacement of people and communities from their land. Water corporations rival domestic companies for market share, as in the case of packaging of mineral water in India. Coca-cola, Pepsi, Nestle, and Danone produce packaged water. Coke's Kinley, which entered the market in 1993, has secured 30% of the market share, Pepsi's Aquafina has secured 11%. These corporations are destroying water security in various regions of the world. Policies relating to water in the post-globalisation years have not only displaced people from their land, but have also resulted in reduced access to water for village inhabitants, especially the Dalits and Adivasis. Ground-level studies display the impact of policies in various states.

**Maharashtra:** As reported by Prasanna Invally, Hindustan Coca Cola Beverage Pvt. Ltd. is located in Wada taluka of Thane district of Maharashtra. The plant uses over 10 lakh litres of water daily, the source being the river Vaitarna. The company paid 60% of construction costs of the Gandhree dam and now deems itself

the "rightful user" of water. The company employs local people, but only as contract labor and additionally, it is said to be discriminating against these people, apart from not fulfilling promises of village development, employment, compensation for land, etc.,

Even though Maharashtra has a long history of cooperative management of water, follows the volumetric model of PIM to charge for actual water usage, and has been effectively using WUAs, Dalits and Adivasis have not benefited. This is because very few Dalits and Adivasis own irrigated land and the canal systems are set up in such a way that lands owned by Dalits and Adivasis fall at the tail end, such that the canal water reaches these lands last. Thus, like other forms of cooperatives in Maharashtra, WUAs also tend to become vehicles for the elite to siphon off benefits and enrich themselves.

**Orissa:** The growing water crisis in Orissa symbolises the impact of globalisation-related policy changes. After April 1997, when the Water Allocation Committee was formed in Orissa under the WB Water Consolidation project, the burden of water allocation for industries, on Hirakud reservoir has increased steeply. Twenty-seven major industries have been given permission around Hirakud reservoir till 2007. Communities close to the reservoir have been subjected to involuntary resettlement [Panda, 'Diversion of Water from Irrigation to Industries: A Case Study of the Hirakud Reservoir'].

Similarly, Kalinganagar in Jajpur district of Orissa has 13 steel plants coming up. The indiscriminate exploitation of ground water by companies is leading to an acute scarcity and deteriorating quality of water. A decade ago, water could be struck at 12 to 15 feet below the

surface, but now one has to dig 30 feet or more to hit water. Although companies have been instructed to not use ground water, they are doing so, while the administration looks the other way, and at the same time has imposed restriction for the use of ground water for irrigation [Padhi, Water, Governance and Globalisation in the Context of Orissa, p. 23].

A comparison of Maharashtra and Orissa reveals that in Maharashtra, both rich farmers as well as MNCs like Coca Cola play an exploitative role, while in Orissa, it is primarily industrial and mining companies that have indulged in indiscriminate exploitation of water leading to rapidly increasing scarcity of water.

⊙ **Displacement Crisis:**

As noted by Teltumbde, it is evident that land-distribution and other policies through the years have resulted in a crisis due to mounting displacement of poorer communities from their land. In the past, oustees of dams like the Uka dam in Gujarat, the Hirakud dam in Orissa, the Bhakra Nangal in Punjab have joined the ranks of urban slum dwellers [Teltumbde, 'Natural Resources Policies of the Government of Maharashtra', p. 59].

⊙ **Displacement due to Land-Distribution and Other Policies:**

**Maharashtra:** The implementation of the Maharashtra Private Forest (Acquisition) Act has deprived scores of people from Adivasi and Dalit communities of land purchased under the Tenancy Acts. In Raitali Chimbapada village, Dahanu taluka, Thane district, 31 acres land thus purchased by 29 tribal tenants was transferred to the Maharashtra Government Forest

Department Reserved Forest. In Kevale village, Sudhagad taluka, Raigad district, land ownership records have a note that says that the use of land for non-forest purposes is prohibited without prior permission of the Central Government. In Dhodhani village of Panvel taluka of Raigad district, land distributed to tribals under the Land Ceiling Scheme was acquired by the Forest Department. In Ambesari village of Dahanu taluka, Thane district, land records for 65 hectare of agricultural land have the note 'provisions of the Maharashtra Private Forest Acquisition Act are applicable' [Teltumbde, 'Natural Resources Policies of the Government of Maharashtra', p. 59]. Land displacement and unclear titles leading to insecurity are a clear impact of the land-distribution policies that have been practiced. Similarly, as previously noted, since Maharashtra state has not scrapped the ULC, large tracts of urban land that could have been open for development are currently tied up in legal disputes [Teltumbde, 'Natural Resources Policies of the Government of Maharashtra', p. 18].

**Madhya Pradesh:** Even when a more equitable distribution of land is attempted, implementation at the ground level becomes impossible to achieve due to existing power structures that are caste based, resulting in further injustice against the marginalised communities. For example, in MP, district collectors (DCs) were asked to reduce the extent of grazing land in their respective districts from 7.5 to 5% in 1998, by the Digvijay Singh led State Government and to distribute it among Dalits and Adivasis. This released 62320 hectares of land for distribution. In 2001, DCs were asked to further reduce grazing land from 5% to 2%, thus releasing another 2,42,810 hectares of land for distribution

to Dalits and Adivasis. It was found that much of this 'released' grazing land was already illegally occupied by Rajputs and other backward castes (OBCs), and when Dalits and Adivasis tried to claim the land allotted to them, there was large-scale violence perpetrated against Dalits and Adivasis including burning of their homes and crops. Pending cases against perpetrators of the violence were withdrawn when the BJP government came to power in the state. However, it may be noted that this exercise of land distribution would have covered only 4 lakh households, which cover less than 18% of the total landless households in the state [Mehta and Tiwari, 'Agriculture Policy of Madhya Pradesh: An Analysis', pp. 37 and 38].

### ⊙ Displacement due to SEZs

The total number of SEZs, including those in the proposal stage, is about 700. The larger of these occupy an area of 25,000 to 30,000 acres. Their presence has diverted 1,75,000 hectares of land area of the country, which is equivalent to 0.1% of the agricultural land. Above 40% of those displaced before 1990 and above 50% of those displaced after 1990 are Adivasis. Dalits comprise 20% of those displaced and the rest are asset less and marginalised [Madhumanti, 'Analysis of the Special Economic Zones Policy Within the Governance and Framework', p.58].

**Maharashtra:** In Maharashtra, the SEZ policy and its implementation are a clear contravention of the letter and spirit of the Constitution. Today the state has the highest number of approved SEZs in the country, totaling 48, and 27 SEZs approved in principle. Most of the SEZs in the state are located around cities like Pune and Mumbai, and the Vidarbha region has around five approved SEZs.

As Teltumbde points out, the state government has already begun acquisition of land for a 10,120 hectare SEZ to be set up by Reliance Industries. Of the total land, almost 5720 hectares is irrigated by Hetavane dam and large tracts of the remaining land belongs to mangroves, wetlands, which are considered crucial for the environmental sustainability of the area. Also, giving more than 1000 hectares of land to each SEZ, violates the land reform Acts and Supreme Court Judgments that endorse these Acts. Unlike earlier laws that required public purpose behind government take over of land, the new Acts clearly allow land for private profit and without land-for-land compensation or rehabilitation. SEZs will eventually be guzzlers of land and of scarce water resources. In Maharashtra, 75% of the land proposed to be acquired for SEZ projects is agricultural land. Thus, SEZs will not only uproot lakhs of farmers, but also the huge population of landless laborers whose livelihood depends on these lands. The deemed foreign territory status of SEZs will also encroach upon the rights of local self-governments like GPs, in clear violation of the 73rd Constitutional Amendment. Moreover, SEZs are exempt from environmental and labor laws and have all kinds of tax exemptions [Teltumbde, 'Natural Resources Policies of the Government of Maharashtra', pp. 48 and 49].

The Multimodal International Hub at Nagpur (MIHAN) is an SEZ located on 2025 hectares of land. While officials claim that only 25% of this land is agrarian, residents state that the project predominantly occupies agricultural land. Divergent claims about extent of displacement are also being made. An official study claimed that the airport and cargo hub portion of the SEZ has displaced 8,800 people, while residents claim that in all, over 50,000 people have been

displaced. A large proportion of these are farmers, and a large chunk of these are OBCs, while up to 20% of these are Dalits and Adivasis. Compensation will be about Rs. 4.6 lakhs per hectare. However, the government has yet to finalise the R&R plan. The airport aspect of the project is certain to impact health adversely. As is well known, people who live in the vicinity of airports suffer higher rates of asthma, respiratory diseases, and pregnancy complication rates [Madhumanti, Multimodal Infrastructure Hub at Nagpur (MIHAN) Cargo Hub and Special Economic Zone Project at Nagpur].

**Madhya Pradesh:** In MP's Pithampur area, displacement of farmers and Adivasis has been regular since the 1970s due to large-scale industrialisation. The SEZ has only ushered a new wave of displacement and this time, on a larger scale. SEZ Indore has displaced villages Kali Billod, Kheda, Jamodi, Akolia, Bardari. When displacement occurs, land prices rise steeply so that only bigger farmers are able to purchase new land as alternative sources of employment. On the other hand, most small farmers, mostly Bhil tribes tended to have very little money to use as an alternative means of livelihood. Extremely poor farmers also tend to splurge compensation money on what they deem as luxury items that have so far been inaccessible to them, thus entering a spiral of poverty after being displaced [Madhumanti, A Case Study of SEZ Indore, Madhya Pradesh, pp. 26 and 27].

Displacement due to SEZs will be on a much larger scale in Maharashtra as compared to MP due to the rapid pace at which SEZs are being given the nod in Maharashtra. Even within the state, areas around Pune and Mumbai are more severely affected as compared to other regions.

Figures also reveal that it is the Adivasis who are the foremost victims of displacement, followed by the Dalits.

### ⊙ Agrarian Crisis

**National:** Agricultural policies of liberalisation date back to the so-called green revolution, which provided technological fixes rather than correcting structural issues within agriculture, and therefore caused further imbalances in the skewed agrarian structure. The national per capita production of food grains rose but became skewed region wise [Madhumanti, Examining the Agrarian Crisis in the Context of Globalisation: A Study of Vidarbha Cotton Farmers, Maharashtra, p. 15].

Policies that followed included the withdrawal of state-run institutions from providing agricultural inputs like seeds and extension services, and these compounded woes of farmers. Successive Indian governments slashed their expenditure (as a percentage of GDP) on rural development including expenditure on agriculture. Studies show that public investment has a strong effect on improving agricultural productivity in India, and decline in this investment has adversely affected growth rates. Policymakers hoped that declining public expenditure would be made up by increased private expenditure, even though there is evidence to the contrary. Small and marginal farmers dependent on state support for agriculture have been rendered vulnerable due to reduced public spending. Abolishing the government-regulated markets, and introducing a competitive marketing system with the entry of the private sector was the declared objective of the agricultural-marketing reforms. In practice, it caused the replacement of government regulated mandis by the monopoly of a corporate

buyer [Madhumanti, *Examining the Agrarian Crisis in the Context of Globalisation: A Study of Vidarbha Cotton Farmers, Maharashtra*].

There has been a severe impact in terms of the current agrarian crisis. Private sector entry in the area of seeds and other agrarian inputs has been accompanied by little state regulation. State departments previously played a key role in awareness building, training, and extension services, which are now almost defunct. The global integration of agriculture has led to increased price volatility and risks. Depressed international pricing is a direct result of the uneven playing field since developing countries have a natural advantage over developed ones on account of lower labor and input costs, but this is offset by the huge farm subsidies provided by developed countries that deny the developed countries the benefits of world trade [Mehta and Tiwari, 'Agriculture Policy of Madhya Pradesh: An Analysis']. As Madhumanti's Vidarbha study confirms, rural indebtedness is intricately linked to agrarian distress as several studies show. Studies also show that extent of indebtedness is much lower in regions with lower dependence on capital-intensive agriculture. This problem is magnified due to the institutional credit crunch.

**Maharashtra:** The tragedy of the cotton farmers in Vidarbha region of Maharashtra is an example of the above. Reducing cotton tariffs to 5% has played a key role in destroying cotton farmers. The cotton sector was liberalised in 1991 leading to a steep decline in the price of cotton by 55% between 1996 and 2003. Cotton from developing countries was ousted from the market due to heavy subsidisation of cotton in developed countries to the tune of \$5 billion. On the other side, cotton farmers were forced to purchase imported seeds and inputs (agri-chemicals)

owing to liberalisation in this area as well and in a desperate bid to increase productivity. Rural indebtedness and the institutional credit crunch that ensued led to thousands of farmers in this region taking the extreme step of suicide. Vidarbha region is one of the country's foremost regions that showed the serious consequences of globalisation [Madhumanti, *Examining the Agrarian Crisis in the Context of Globalisation: A Study of Vidarbha Cotton Farmers, Maharashtra*, p. 19].

**Madhya Pradesh:** In MP, agricultural reform implied a switching to soybean and to HYV wheat and paddy seeds. This in turn led to increase in private irrigation through tapping of ground water. Agricultural reform helped a section of peasant proprietors in the Western and Central portions of MP to grow rich, but this has accentuated regional differences. It also promoted excessive ground water use that is not ecologically sustainable. As in Vidarbha, the introduction of B.T. cotton in Western MP has led to the undermining of the financial condition of peasants here. MAHYCO Monsanto biotech Ltd continues to sell B.T. cotton seeds in the region. A ground level study conducted in the region in 2003 showed that unlicensed cotton has far greater productivity than Monsanto's B.T. cotton. Moreover, a public hearing revealed the adverse impact of B.T. cotton on health of humans and livestock [Mishra and Desai, 'GM Crops and Globalisation: A Study of BT Cotton in Western Madhya Pradesh'].

After the 2003 act that legalises contract farming, it has become clear that like ITC e-choupals, this too results in debouching all the small and marginal farmers from the production and market sphere. ITC e-choupals have taken over in MP and clearly illustrate the feature of

globalisation where farmers are exposed to international markets for purchase of inputs and for sale of output. As Diwan has noted, half a dozen foreign companies are active in the agricultural sector in MP. Companies like ITC, Cargill, ABK India Ltd., and Australian Wheat Board have built huge godowns storing thousands of tons of grains, once contract farming was legalised. As noted previously in this report, Mehta and Tiwari have described how the electronic weighing facilities at ITC hubs first weigh lorries with grains and then without. This procedure is convenient for farmers with large quantities for sale, for they merely need load lorries with grains and do not have to pack grains in bags. However, this very procedure automatically excludes small and medium farmers because the minimum quantum to be sold must fill up the lorry. Since small and medium farmers also do not have access to quality seeds, the quality of the grains they produce is most often inferior and not saleable at ITC hubs. The Madhya Pradesh Krishi Upaj Mandi Adhiniyam of 1972 made it illegal for farmers to sell outside the mandi, but small and marginal farmers who were automatically excluded from ITC hubs ended up involved in distress sales, leading to their further exploitation.

#### ⊙ **Impact of Forest Policies on Livelihood**

Many of the authors of the Globalisation, Governance and Grassroots studies contend that globalisation-led policies have led to the commodification of forests and their produce.

**Orissa:** Thus, the impact of globalisation on policies, rules, and Acts that concern forests is most evident in Orissa which has a large forest cover and a rich variety of forest produce.

Prafulla Samantara reports that in Keonjhar district of the state, commercial plantation of coffee by the Forest Department has evicted Juang Adivasis from their cultivated land. In Koraput district, thousands of acres of green forests have been given for coffee plantation. Similarly, in Kalahandi, MNCs like VH Billiton and Vedant have similarly deprived Adivasis of their access to forests and created water scarcity. The soil that is favorable for paddy and cotton therefore cannot be cultivated. This has led to innumerable starvation deaths as is well known [Samantara, Globalisation and its effects in Orissa]. As noted by Bikash Rath, with respect to Orissa's NTFP policy, GPs have not been effective in regulating the procurement of MFPs. Also, the scope for GPs to earn sufficient revenue through MFPs is extremely uncertain. MPP fixation is not done in a timely manner, which in turn has prevented timely procurement for SHGs and co-operatives. Bans on certain items like the medha bark has affected primary collectors of the product.

#### ⊙ **Impact of Mining Policies on People and the Ecology**

Similarly, many of the authors have concluded that globalisation-led policies relating to mining have had a detrimental impact on people and the ecology. Displacement and environmental ill effects are evident.

**Chhattisgarh:** The state's Mineral Policy of 2001 resulted in environmental destruction and human displacement. Land acquisition for the purpose created disparities, and indigenous people lost their land. At the same time, the manner in which the policy was implemented resulted in a failure to provide for the development of local inhabitants. Mineworker's

rights were also observed to be flouted. More than 72,000 acres of land was leased to the South Eastern Coalfields Ltd (SECL) for coal mining, affecting hundreds of villages. In Raipur, Durg, and Bilaspur districts, at least ten big cement factories, several small ones, and auxiliary units have been set up in the last 15-18 years. Lafarge from France owns two of these large cement factories. Huge diamond deposits in Devbhog (Raipur) and Bastar have been grabbed by MNCs, completely overlooking the Adivasis who owned these pieces of land before they were snatched [George, 'Mined In! Mined Out! & Mined Off!!'].

**Orissa:** Niyamgiri, where the MNC Vedant is located is one of the last untouched forests of Orissa with rich biodiversity of flora and fauna. The mining of bauxite has adversely impacted this region's forests, the environment, and marginalised groups whose livelihood depended on forests [Samantara, Globalisation and its effects in Orissa].

### ⊙ **Ecotourism and Impact on the Environment and Local Communities**

Some of the authors have surmised that globalisation-led ecotourism policies have a negative impact on ecosystems and communities. However, in order for corrective action to be ensured, or implementation to be carried out with minimum damage, these policies need to acknowledge the negative impact. However, such an acknowledgment is never a part of the policy document. Further, by encouraging private participation, policies contribute to the threat to indigenous communities and the environment. Private players will clearly expand their business in holiday destinations and increasingly compete

with local providers. Chhattisgarh, Jharkhand, and Orissa, with their abundant forest and water resources have witnessed marginalisation of communities due to globalisation-led ecotourism policies.

### **F. COPING MECHANISMS?**

Sometimes, the marginalised are completely disenfranchised and disempowered to respond and only deal with challenges by coming up with what can be termed as coping mechanisms. In MP, a survey conducted in Barwani district in 1998 found that 30% of families rendered landless due to displacement migrated to Malwa, Gujarat, and Maharashtra. A second survey showed that the percentage of migrating families had increased to 46 in 2006. Similarly, impoverished tribals from Jhabua district in Nimad migrate to Godhra in Gujarat to work in quartz factories, but within 8 to 10 months of working in these factories, they contract 'Silicosis' a deadly disease caused by inhalation of crystalline silica. As per one study carried out in just 20 villages in three blocks of Jhabua district has shown that 128 persons have died and 277 persons are suffering from the disease. With respect to the Indore SEZ, youth from displaced tribal households have started to go to factories for daily wage labor, working under exploitative conditions of hard physical labor [Mehta and Tiwari, 'Agriculture Policy of Madhya Pradesh: An Analysis', p. 42].

When it comes to the National Rural Employment Guarantee Scheme (NREGS), case studies show that neither the 100-day work promise, nor the promise of a wage of Rs.60 per person for 7 hours labor is met. Often, three members of families work for 11 hours, to only get paid a sum of Rs. 60 in total. Often,

employment is provided for 15 to 20 days and not for 100 days as promised [Mehta and Tiwari, 'Agriculture Policy of Madhya Pradesh: An Analysis', pp. 43 and 44].

## **G. PEOPLE'S MOVEMENTS/ATTEMPTED MOVEMENTS**

Although the marginalised are sometimes too disenfranchised to respond in a pro-active form as the above section shows, this is not always the case. The impact of policies in the form of further alienation of already marginalised groups from their homes, livelihoods, and access to basic natural resources including water is likely to result in some form of response. Thus, as Yogesh Diwan states, from within the ranks of farmers has emerged a process of socio-political farmer organisations, but the fight for rights of farmers with an analytical and scientific view seems to be fragmented, few, and far between. Still, indigenous movements that are local, rather than national, have come up in various parts of the country [Diwan, *Perils of Globalisation of Agriculture: A Study*, p. 46].

### **Maharashtra:**

- In Maharashtra, the Sangli-Miraj-Kupwad Municipal Corporation attempted to privatise water where all rights were to be given to the private sector with no responsibility of the public sector. However, the general public and public representatives opposed it and the municipal corporation had to cancel the project in April 2003 [Teltumbde, 'Natural Resources Policies of the Government of Maharashtra', p. 29].
- In Pune, a proposal for privatisation of urban water supply came up with a cost of almost Rs. 7.5 billion for providing uninterrupted water supply, 100% sewerage collection and treatment and recycling of water for irrigation purposes. When information on the plan leaked out, local experts came up with an alternate plan, which required half of the proposed investment, thus saving the Pune Municipal Corporation from taking huge loans and shifting the burden to residents of Pune [Teltumbde, 'Natural Resources Policies of the Government of Maharashtra', p. 43].
- Like other villages in Vidarbha, Maharashtra, Dorli village in Wardha district, a predominantly Dalit village had to bear the brunt of modernisation of cotton production further aggravated by sale of spurious seeds, leading to increased impoverishment and indebtedness of rural households. The village began the 'village for sale' campaign that was covered by local and national media. A positive consequence was that new roads, other amenities, and 24-hour electricity were hastily provided to the village. Also, bank officials and moneylenders have become averse to visit the village for loan recovery [Madhumanti, 'Examining the Agrarian Crisis in the Context of Globalisation: A study of Vidarbha Cotton Farmers, Maharashtra', p. 46].
- In Nagpur, there has been a strong people's resistance movement opposing MIHAN since the inception of the project in 2002, the key demand being to stop land acquisition, while those willing to give up land seek compensation at the prevalent market rate. The resistance movement has been particularly effective in the airport portion with respect to land acquisition. However, government tactics like labeling opposers as naxalites and terrorists are being used

[Madhumanti, Multimodal Infrastructure Hub at Nagpur (MIHAN) Cargo Hub and Special Economic Zone Project at Nagpur, p. 21].

- In Kopergaon and Shrirampur talukas of Ahmednagar district, some of the land taken up by MSFC under the Land Ceiling Act was fallow wasteland, and Adivasis and Dalits depended on this land for sustenance. A movement starting in 1980 came into being, wherein the MSFC owned land was occupied by Adivasis and Dalits. The movement was formalised in 1994 as the Bhoomi Hakka Andolan [Teltumbde, 'Natural Resources Policies of the Government of Maharashtra', pp. 46-47].
- Early in 2000, people of Wada taluka of Thane began protesting against Coke. These protests gained further impetus in 2003, when there was a severe drought. Some companies are fighting for the removal of the company from the area while others seek permanent employment, increase in water royalty the company pays, a share of the royalty to the Zilla Parishad and the Panchayat, sufficient compensation for farmers whose land is used for laying down pipelines, water supply to villagers through pipelines, and other benefits like education, employment, electricity, etc., to the villagers [Invally, 'Water Commodification in Maharashtra: A Case Study of Hindustan Coca Cola Beverage Pvt. Ltd.', p. 24].
- With respect to Indore SEZ, a survey showed that none of the respondent farmers spoke of any protest against the land acquisition, having become used to the forcible acquisition of land since the 1970s. Small farmers are dependent on larger farmers in any case, and the latter tend to gain from industrialisation. Still local activists and journalists have taken up the issue of the SEZ, and their interventions through meetings with the displaced enabled a much stronger and united voice against displacement and low compensation. This resulted in a state government review of the compensation amount payable to some of those displaced by the Indore SEZ project [Madhumanti, A Case Study of SEZ Indore, Madhya Pradesh, p. 33].
- Sampark MP and Beej Swaraj Abhiyan are leading the movement against B.T. cotton in western MP. Sampark wrote to the head of WTO during the controversy of rice, turmeric, and neem patents in 2002. Under its directions, Gram Sabhas in each village of the state have passed resolutions against the patents. Moreover, awareness raising about traditional seeds has been ongoing in the state, and has also been spread to other states like Andhra Pradesh. Demonstrations have also been held [Mishra and Desai, 'GM Crops and Globalisation: A Study of BT Cotton in Western Madhya Pradesh', p. 53].
- MPFP funded by the WB, faced persistent protests for its adverse impact on indigenous communities. In 1996, 1999, and 2000,

### Madhya Pradesh:

- Kisan Adivasi Sanghatana in Hoshangabad district is engaged in fighting for the rights of Dalits and Adivasis has become aware about the perils of globalisation and is trying to unite farmers. It has not been successful, given that

people's organisations in MP mobilised widespread protests against WB forestry projects, criticising these for further marginalising communities, placing unwanted restrictions on traditional resource rights, and undermining customary livelihoods, leading to a hold up in the MP forest project [Pattnaik, *Globalisation and Forest Management in India*, p. 19].

### Chhattisgarh:

- In Chhattisgarh's Khudaridih village, land was acquired for mining with the promise that one member of each family whose land was taken would get employment in the mines, the village would be electrified, drinking water will be supplied, water to fields will also be given, schools for children and a hospital will be set up, and land will be returned once extraction of minerals has been completed. However, none of the promises were kept and many of the people were informed that their land was taken after it was acquired. The only work given to the people was that of breaking stones and the workers did not get minimum wage, but were paid lower rates. People opposed the projects and several petitions were handed over to government officials. Political parties that lent support later withdrew. The signature of the Sarpanch was in fact forged and his seal was used without his consent to complete the deal [George, 'Mined In! Mined Out! & Mined Off!!', pp. 45-48].
- Similarly, Vedanta's bauxite mines at Mainpat in Chhattisgarh hires only contract laborers. In 2005 June, these contract laborers went on strike against the appalling work conditions. Similarly workers at the BALCO Korba expansion project went on strike as well.

However, a majority of movements of this kind are suppressed by the police [George, 'Mined In! Mined Out! & Mined Off!!', p. 50].

### Orissa:

- There is opposition to the controversial POSCO proposed project in Orissa from three separate groups. The most effective strategy to stall progress of the project has been the setting up of checkpoints in the area by local communities. Women and children at these posts keep a 24-hour vigil, thus restricting the movement of local officials and POSCO staff at the project site. The state government has responded with backhanded tactics to divide the movement. However, although it has a history of using force, has not done so in this case so far. One of the opposing groups handed a Memorandum to the Governor of Orissa demanding that the mining lease to POSCO should not be granted. It was noted that the state government turned a deaf ear to the protests while the government at the Centre merely expressed a passing concern about the protests. Still, what has slowed down the progress of the project effectively includes regular and consistent questions from the opposition in Parliament, by the opposition at the state level; the media's reporting on possible negative impact of the project; police firing leading to death of Adivasis opposing the project at Kalinganagar in January 2006, and at Nandigram; the sheer magnitude of the project and its three interlinked components [Asher, 'Striking While the Iron is Hot: A Case Study of the Pohang Steel Company's (POSCO) Proposed Project in Orissa'].

- On October 26, 2006, farmers of five western districts of Orissa took their battle against privatisation of water to a new high. Over 20,000 of them formed a human chain along a stretch of about 18 km connecting the mighty Hirakud dam from one end to the other. The move sent a loud and clear message to the state government. The issue was later raised in the state legislature and in Parliament [Panda, 'Diversion of Water from Irrigation to Industries: A Case Study of the Hirakud Reservoir', p. 7].
- Villagers in Gopalpur, Orissa had to face false criminal charges as a counter to their resistance to Tata Steel. The people's resistance lasted between 1995 and 2000 [Samantara, Globalisation and its effects in Orissa].
- Adivasis in Kasipur block of villages, Rayapura district, Orissa state, have been part of a movement to oppose the Utkal Alumina Company since 1993. On December 16, 2000, three Adivasis were shot dead by police during a peaceful protest. Even today, the state and the police continue to be instruments of terror and intimidation [Samantara, Globalisation and its effects in Orissa].

#### **Other States:**

- The continuing struggle of farmers against SEZ land acquisition in Raigad, Nagpur, and Pune in Maharashtra, against POSCO in Orissa, Dadri and Jhajjar in Uttar Pradesh and Haryana, respectively, and Kakinada in Andhra Pradesh have become strong forces that have taken the respective state governments and the union government by surprise [Madhumanti, 'Analysis of the Special

Economic Zones Policy Within the Governance and Framework', p. 74].

#### **H. SUMMARY AND REMARKS**

Based on the analysis of the research studies conducted under the purview of the Globalisation, Governance and Grassroots study, we reviewed the history of changes in policies that pertain to water, land-distribution, agricultural production, forest management, mining, as well as policies concerned with preservation of natural habitats and the environment (ecotourism and environment policies). From the analysis of these studies, we have surmised that policies/laws/rules/Acts pertaining to natural resources have evolved in ways that have helped strengthen the globalisation process. We have also gathered that multilateral institutions have played an important role in influencing the introduction of these new and revised policies/laws/rules/Acts. Thus, multilateral institutions have played a major role in strengthening as well as hastening the process of globalisation in the country.

Similarly, from the analysis of the Globalisation, Governance and Grassroots studies, we have surmised that the impact of globalisation-led policies has been in the form of alienation of communities, especially marginalised groups like Adivasis and Dalits from access to resources like land, water, forests, and from their livelihoods.

Some of the researchers under the purview of the Globalisation, Governance and Grassroots have studied and commented on the role of local self-governing bodies (Panchayati Raj institutions) with respect to governance of these resources. Our review has highlighted how

Panchayati Raj institutions remain sidelined from actual processes even when policies speak about decentralised management and governance of water, forests, lands, and other resources. Many of the researchers have pointed out how, at the implementation level, Panchayati Raj institutions are rarely consulted or involved, and often not even informed when it comes to forest management, water usage, or acquisition of land.

The studies have also talked about People's Movements/Attempted Movements in terms of response to the policies followed by the Centre or the state governments. Thus, in many instances, people have tried to oppose or resist the governments involved. The Indian State (Central, state-level, or local governments) was supposed to be the trustee of the resources on

behalf of communities. Instead, the State has been playing the role of intermediary in handing over control of resources to private entities whether domestic or foreign. Communities and activists at the grassroots are opposed to this role played by the Indian State.

Globalisation will need to be countered, at no point letting the hegemonic structure remaining unchallenged. Strategies to challenge this hegemonic structure must persist, continue and be strengthened. At the community level, there is a constant need to demystify policies which are directed at privatising natural resources. Simultaneously it is essential to strengthen people's movement to protect the rights of the marginalized sections over natural resources and ecology. This will have to be done at all levels - local, national and global.

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*Sathe, D. Globalisation and the Panchayati Raj Institutions: A Case Study of Maharashtra, 9/2008.*

*Teltumbde, A. Natural Resources Policies of the Government of Maharashtra, 8/2008.*

**Annexure 1****List of Studies in Globalisation, Governance and Grassroots**

Sr. No.	Title of the Study	Author
1.	<i>Natural Resources Policies of the Government of Maharashtra</i>	<i>Anand Teltumbde</i>
2.	<i>Agriculture Policy of Madhya Pradesh: An Analysis</i>	<i>Jaya Mehta and Vineet Tiwari</i>
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# GGG

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