

## ICSSR - NER PROGRAMME

Professor Ajay Dandekar

*Widening Gulf and Striking Spaces :  
Understanding Issues in Development Today*

OMEO KUMAR DAS INSTITUTE OF SOCIAL  
CHANGE AND DEVELOPMENT  
GUWAHATI

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## Preface

The Indian Council of Social Science and Research (ICSSR) initiated the two programmes **ICSSR-NER Lecture Series** and the **Scholars in Residence Programme** under its ICSSR-NER Programme. Eminent scholars are invited to deliver lectures at the Institute under the former, and to spend one or two weeks at the Institute under the Scholars in Residence programme. Both the programmes are aimed at enhancing the interactions among the scholars from within and outside the region.

Professor Ajay Dandekar delivered this lecture on February 11, 2010 at the Institute's premises.

Professor Dandekar's consciousness lies on the issue of the nature of development that is occurring in the tribal Indian plains and the kind of challenges that nature of development has thrown up before the state and the civil society. The issues of development, governance and the role of the civil society in the central Indian plains threaten to tear the society asunder. The civil society has to take a decisive role to ensure peace with justice. Justice cannot be left on the people's movements on the right or the left that have left behind them a trail of violence and death. Violence has no role to play in any mass movement of any kind and the introduction of or justification of violence by any actor is detrimental to the interest of the people of the realm.

**Indranee Dutta**  
Professor and Director  
OKD Institute of Social Change and Development  
Guwahati

## **WIDENING GULF AND STRIKING SPACES: UNDERSTANDING ISSUES IN DEVELOPMENT TODAY**

It is a matter of great privilege to stand here and discuss with you the developmental context as obtained in the country today. I am grateful to Omeo Kumar Das Institute of Social Change and Development for giving me this opportunity.

The last two and a half decades have witnessed a paradigm shift in the ways the issues of development have been thought through. In the present context, the paradigm shift becomes more discernable with the first opening up of the Indian economy in the year 1984. Subsequently, the cold war ended with the disintegration of the Soviet Union and the international finance capital had for the first time a free run on a global scale. This free run of the international finance capital and the unchallenged leadership role assumed by the United States has had a decisive impact on the global economy and especially the economies of the third world. Let us understand the implications of the above in the context of the rural.

The process of globalization in the context of the unfettered run of international finance capital has meant a total opening up of the Indian economy. The dominant argument that favours the current flavor of the economic policy may be briefly stated as under:

India cannot grow fast without foreign investment; foreign investment will not come to India as long as it lacks 'world-class' infrastructure; it is impossible to provide such infrastructure throughout the country in the near future; hence private capital should be invited to develop such infrastructure first in pockets of the country.

The industrial growth rates of the 1980s were due to the first opening up of the economy and relaxation of controls on industry, imports, and external borrowing. The Indian elite's demand for foreign goods, and the propensity of Indian big business to operate as *merchants* rather than as industrialists led to a surge of foreign collaborations resulting in large imports and large trade deficits funded by foreign debt. This along with the sudden crisis in the Persian Gulf and the final collapse of the Soviet Union resulted in the debt crisis of 1990-91. That debt crisis was utilized to integrate the Indian economy and polity with the larger interests of the international finance capital. Thus, the debate on the Dunkel Draft agreement suddenly swung in favour of the proponents of the GATT treaty. (This is despite the resolutions passed by all the political parties opposing the Dunkel Draft) The Indian entry in the WTO and the giving in on IPRs TRIPS and TRIMS as well as the Agreement on Agriculture followed the logic as arrived by the unilateral power and its bid to impose more decisively the hegemonic control over the global resources and make the rules of the game clear and unambiguously in its favour in that direction to the rest of the players.<sup>1</sup> Thus, even a fast track economy like the Peoples Republic of China had to hold 1/3 of the total US debt. The Doha Ministerial Declaration, adopted on November 14, 2001 stated in Para 13 that member countries commit themselves to-substantial improvements in market access, reductions of, with a view to phasing out, all forms of export subsidies, and substantial reductions in trade-distorting domestic support. We agree that special and differential treatment for developing countries shall be integral part of all elements of the negotiations and shall be embodied in the Schedules of concessions and commitments and as appropriate in the rules and disciplines to be negotiated, so as to be operationally effective and to enable developing countries to effectively take account of their development needs, including food security and rural development. We take note of the non-trade concerns reflected in negotiating proposals submitted by Members and confirm that non-trade concerns will be taken into account in the negotiations as provided for in the Agreement on Agriculture.

The failure to adhere to the deadline and to adhere to the spirit of the Doha Declaration has compounded the problem. The second strand attributes the suicides to the failure of the state and its politico-economic policy. In less developed countries, an estimated 100 million agricultural households or approximately 500 million people are absolutely landless. Most of them eke out their living only as tenant farmers or agricultural labourers. Moreover, there are millions of families in these

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<sup>1</sup> There is enormous literature on this starting with Noam Chomsky. More importantly there are State Department Documents that quite clearly state the goals and the aims of the policy the Western World under the leadership of the United States follows and will follow. Documents such as US at 2020 and 2025 are of particular importance.

countries who are original settlers, but are unjustly branded as illegal encroachers, on the land under the legal possession of the government. In these countries, the phenomenon of inequitable and unjust distribution of land rules the roost. It is widely recognised that unequal and unjust distribution of land and natural resources is the key reason for increasing poverty, economic stagnation, and rural-urban migration and escalating violence in the less developed countries. Consequently, it has given rise to numerous violent peasant movements in the Third World countries. The success of the East Asian countries in raising the living standard of the poor and their subsequent empowerment are setting tone of the renewed discourse of land reform as an important strategy of empowerment and development of people. By resorting to appropriate land reform policies, countries like China, Japan, Taiwan, Singapore and Korea have consolidated their socioeconomic position and recorded a remarkable growth in income-generation and poverty alleviation. Therefore, land reform is considered one of the most potent means of poverty alleviation and economic rejuvenation. Linked to the issue of land reform is the point regarding the fragmentation of lands in rural areas, where 73% of people are dependent on a system that contributes only 25% to the GDP.

The proponents of the current policies argue that it is broad-based compared to earlier efforts, that Government finances are in better shape, and that long-term trends in the international economy (in particular the growth of outsourcing) imply that growth of services exports will continue indefinitely. Let us assume then there is some merit in these arguments. Regardless of whether or not growth continues, the pattern of industrial development as well as the happening in the agrarian front has some striking features that we need to note. More so as still mostly 72 % of our population is still 'non-urban'.

#### **The Agrarian Issues-Crisis**

The spate of continuous suicides in the states of Karnataka, Andhra Pradesh, Punjab and Maharashtra, coupled with the declining share of agriculture in the Gross Domestic Product (GDP) and increasing burden on the agrarian system belies the lofty claims put forth in the National Policy on Agriculture. The suicide is a symptom of a greater malaise that threatens millions of farmers and the landless agricultural labourers in the sub-continent.

A serious crisis has broken out in the field of Indian agriculture. The crisis is most glaringly manifested in the growing incidences of starvation deaths and farmers' suicides. While the largest number of starvation deaths are still routinely reported from the backward regions of the country, specially Orissa and now increasingly

Rajasthan, the trend of suicides generally promoted by heavy indebtedness, crop failures, inability to agriculturally developed areas of Punjab, Maharashtra and Karnataka.

Mr. Sharad Pawar, Agriculture Minister of India, mentioned in the Rajya Sabha, that over 1, 00,000 farmers have committed suicides in India from 1993 to 2003. Out of these, 90% suicides have taken place in the states of Maharashtra, Andhra Pradesh, Karnataka and Punjab. As per the figures given by the Agriculture Minister, out of the total of 1, 10, 851 suicides in 2003 across the country 17,164 victims were farmers constituting 5.5% of the total suicides. The phenomenon of suicides amongst farmers in Karnataka has been a recurrent theme in agriculture since 1998. The sudden and alarming spurt in suicides since April 2003, however, appears to indicate a new trend and pattern. Farmers' suicides are no longer a feature of drought prone or the economically backward districts alone, and nor are they only in pockets of high investment agriculture like cotton growing tracts.<sup>2</sup>

The pressure from moneylenders to repay these loans appears to drive farmers, particularly the small and marginal farmers, to take their lives. Loans from institutional lending sources typically account for just 10% of a small farmers' credit needs and there appears to be little evidence of banks forcing their creditors to repay their loans..... All banks have rephrased their loans and interest structures. The disbursements of banks are going down, as farmers are unable to repay loans because this is the third year of crop failure.<sup>3</sup> Andhra Pradesh is close next to Karnataka as far as the number of suicides committed by farmers is concerned. It is a complete assertion of the economic liberalization practiced by the Naidu Govt and continued by the new government. Within the span of past three years, there were 688 cases of suicides committed by farmers in just 20 districts of the state. Out of the 490 suicide cases in the country last year, Andhra Pradesh alone accounts for a major share of 385 cases.<sup>4</sup> The indiscriminate use of chemical fertilizers and insecticide is eroding the fertility of the land, thereby causing unprecedented loss in natural productivity. This is most apparent in the state of Punjab. A report by Indrajeet Singh Jeji, Lehra and Andana blocks of Punjab alone accounts for about 174 suicidal deaths until June 2003. Farmers, having less than even one acre of land holding, are burdened with the debt of Rs.1 lakh to 11 lakhs. Some of them jumped in front of the railway tracks, while others set themselves on fire but majority of them poisoned themselves.<sup>5</sup> Dr. Vandana Shiva in an open letter to the Finance Minister of India wrote,

<sup>2</sup> Parvathi Menon, "Death and Distress," *Frontline*, 5 December 2003.

<sup>3</sup> Parvathi Menon, "From Debt to Death," *Frontline*, 10 October 2003.

<sup>4</sup> Krishan Bir Choudhry, "Editorial," *Farmers' Forum*, vo.3, no.10, October 2003.

<sup>5</sup> Nisha Sharma, "Wheat Granary Suffers," *Sahara Times*, 4 October 2003.

Farmers' suicides are a result of indebtedness, and debt is a result of rising costs of agricultural inputs and falling prices of agricultural produce. Both the rising costs of production and decline in farm prices are intended outcomes of trade liberalization and economic reform policies driven by agribusiness corporations. Farmers' suicides are therefore an inevitable outcome of an agricultural policy that favours corporate welfare and ignores farmers' welfare. The farmers who have committed suicide were driven to their tragic end by a threefold crisis caused by trade liberalization and globalization policies, deregulation of inputs, imports and prices and the inevitable consequence in deepening debt.

Land is the source of sustainable livelihood, food security and poverty alleviation for almost half of the world's population. An estimated forty-five percent of the world's population still makes their living from land. Landlessness, on the other hand, erodes social status, and makes people economically vulnerable and mentally restless for not having any sense of security in life. Land reforms confer ownership of land to the landless and give security of land holdings to the marginal and small farmers. Land reform thus, enhances economic activities, bestows human dignity, provides social status and security, empowers the beneficiaries, and ensures political participation of the landless that are otherwise kept at bay from the democratic processes and institutions. India also accorded supreme importance to land reforms immediately after independence. Accordingly, a total of 272 legislations have been enacted so far with regard to land reform and these have been included in the Ninth Schedule of the Indian Constitution. The exemplary outcomes of land reform in Kerala and West Bengal have shown that, if there is a political will and determination, land reform is still the best approach to poverty eradication and economic growth. However, except two or three states, all the initiatives failed to achieve the desired outcome. Evaluating the post independence land reforms implementation experience of most states, it can be argued that the actual extent of surplus land is substantially more than the official statistics. If we take a look at the land reforms that have taken place in some other agricultural countries (like in China 43% of agriculture land was redistributed among landless, 37% in Taiwan, 32% in South Korea and 33% in Japan) the efforts of the GOI to enact, revise and implement the ceiling laws, over the past 35 years, resulting in the distribution of only 1.25% of the operational area seems to be a joke. Linked with the issue of land reforms is the issue of fragmentation of land in an agrarian system wherein 73% of people are dependent on a system that contributes only 27% to the national income.

A major concern in rural India is the huge number of landless or near-landless families, many of who are wholly dependent on a few weeks of work at the peak

planting inter-cultivation and harvesting seasons. The number of landless rural families has grown steadily since independence, both in absolute terms and as a proportion of the population. In 1981, there were 195.1 million rural workers: 55.4 millions were agricultural laborers who depended primarily on casual farm work for a livelihood. In the early 1990s, the rural work force had grown to 242 million, of whom 73.7 million were classified as landless agricultural labourers. Approximately, 33 percent of the employed rural workers classified as casual wage laborers.

Due to the large number of landless farmers in India and the frequent neglect of land by absentee landlords in India, in the early years of independence, the principle that there should be a ceiling on the size of land holdings, depending on the crop planted and the quality of the land, was embodied in the first five year plan (FY 1951-55). An agriculture census was conducted to provide guidance in setting such ceilings. During the second five year plan (1956-60), most state legislated fixed ceilings, but there was little uniformity among the states; ceilings ranged from 6 to 132 Ha. Certain specialized branches of agriculture, such as horticulture, cattle breeding and dairy farming was usually exempted from ceilings.

All the states instituted programmes in India to force landowners to sell their over-the-ceiling holdings to the government at fixed prices; the states, in turn, were to redistribute the land to the landless. However, adamant resistance, high costs, sloppy record keeping, and poor administration in general combined to weaken and delay this aspect of land reform. The delays in legislation allowed large landowners to circumvent the intent of the laws by spurious partitioning, sales, gifts to family members and other methods of evading ceilings. Many exemptions were granted so that there was little surplus land.

To ensure more uniformity in income, to combat evasion of the intent of the laws, and to secure more land for distribution to the landless, the central government in the 1970s pushed for greatly reduced ceilings. For a family of five, the central government guidelines called for not more than 10.9 hectares of good, irrigated land suitable for double-cropping, not more than 10.9 hectares of land suited for one crop annually, and not more than 21.9 hectares for orchards. Exemptions were continued for land used as cocoa, coffee, tea and rubber plantations; land held by official banks and other government units; and land held by agricultural schools and research organizations. At the option of the states land held by religious, educational, and charitable trusts also could be exempted. To protect the states from legal challenges to their land reforms laws, the constitution was amended in 1974 to include in its ninth schedule the state laws that had been enacted in conformance with national guidelines. Land reform laws enacted after 1974 also

were included in the amendment.

By the beginning of the 1990s, all states and union territories, except Goa, Arunachal Pradesh, Nagaland, Manipur, Mizoram and Tripura, had passed ceiling laws to conform to central government guidelines. In Maharashtra, for example, the revised ceiling law that became effective in 1975 set upper limits at perennially irrigated land, rainfall 0.8 hectares; paddy land in an assured rainfall area, 14.6 hectares; and other dry land, 21.9 hectares.

By the early 1990s, nearly all the states had enacted legislation aimed at the consolidation of each tiller's land holdings into one contiguous plot. Implementation was patchy and sporadic, however. By the early 1980s, the work had been completed only in Punjab, Haryana, and western Uttar Pradesh and had begun in Orissa and Bihar. In most of the other states, nothing had been accomplished by the early 1990s. The Sixth Five Year Plan (1980-84) set a goal for the completion of the consolidation of land holdings within ten years, which was not achieved.

In order to protect tenants from exorbitant rents (often up to 50 per cent of their produce), the states passed legislation to regulate rents. The maximum rate was fixed at levels not exceeding 20 to 25 per cent of the gross produce in all states except Andhra Pradesh, Haryana and Punjab. The states also adopted various other measures for the protection of tenants, including moratoriums on evictions, minimum periods of tenure, and security of tenure subject to eviction on prescribed grounds only.

Since excessive poverty has been our predominant concern, several efforts have been made for poverty alleviation and for rural development. On the contrary, the natural resources, i.e. land, groundwater and vegetation are being degraded at an alarming rate. The share of agriculture in the GDP is also declining (from 44% in 1973-74 to 26.9% in 1999-2000); the natural eco-system in semi arid tropics (SAT) is becoming fragile leading to problems like out migration, acute shortage of drinking water and fodder, farmers committing suicides due to debt and crop failure, etc. The widely debated issue of development involves concurrent attention relating to ecological sustainability, economic efficiency and equity, and peoples' participation. It is in this context that an appropriate systematic approach for alternative production-cum-support mechanism through technological as well as policy intervention is to be sought out. The present approach of farmers/villagers as recipient of new technology/package needs to be modified to that of partners in technology development and extension network. The alternative to land reforms arose due to pressure to increase yield results i.e. self-sufficiency in food grains.

As a combined result of green revolution and simultaneous investment in

irrigation projects in initial plan programmes resulted in increasing the national food production from 51 million tones (MT) to 199 MT during 1995-96, achieving not only self sufficiency in food but also a buffer stock of 20 MT. The assumptions behind formulating and adoption of the 'Green Revolution' were that by increasing the yield potential and irrigation through HYV and chemical inputs more and more employment which generate and the entire rural population will benefit out of it. Though the production has gone up and India has become self sufficient in food grain production, the fruits of this are limited to some regions of the country. The regional disparities, sectoral biases and financial allotment were the key issues that were not taken into consideration for holistic approach of development.

Since 1980, the overall pace of investment/capital formation in agriculture is not encouraging. After a steep rise in 70s, the gross capital formation in agriculture with constant prices, both by the public and private sectors, showed a significant decline in the 80s and thereafter in the liberalization era.

**Table 1: Investment in Agriculture**

Year	Gross Capital Formation						% Share of Agri. to Total	Investment in agriculture as % of GDP
	Agriculture	Total Economy	Public Sector in Agriculture	Private Sector in Agriculture	Public Sector in Agriculture	Private Sector in Agriculture		
1993-94	13523	181133	4467	9056	33.0	67.0	7.47	1.6
1994-95	14969	229879	4947	10022	33.0	67.0	6.51	1.6
1995-96	15690	284557	4849	10841	30.9	69.1	5.51	1.6
1996-97	16176	248631	4668	11508	28.9	71.1	6.51	1.5
1997-98	15942	256551	3979	11963	25.0	75.0	4.77	1.4
1998-99	14895	243697	3869	11026	26.0	74.0	6.11	1.3
1999-00	16582	268374	4112	12470	24.8	75.2	6.18	1.3
2000-01	16545	274917	4007	12538	24.2	75.8	6.02	1.3

Source: Planning Commission, 10<sup>th</sup> Plan Documents.

Secondly, the growth in agricultural output is being achieved with increasing costs per unit of output, as the index of inputs costs has been rising faster than output (Rao, 1983). The increased cost of cultivation has a serious adverse impact on decline in area under food grain in 90s.

Due to the biased sectoral policies of overprotecting the industrial sector, agriculture has received comparatively less attention in the development paradigm.

There was a negative term of trade for agriculture. The investment (at 1980-81 prices) stood at Rs.1, 266 crores. However, it declined since 1978-79 and it was only Rs.4, 692 crores in 1990-91. The share of agricultural investment came down from 22% in 1950-51 to 19% 1980-81 and further to about 10% in 1990-91. This adversely affected the public sector investment in irrigation as more than 90% of the total public investment in agriculture goes for irrigation. The share of irrigation sector (states only) in the total public investment came down from 14.7% in 1980-81 to only 5.6% in 190-91 (at 1980-81 prices) of the public sector investment, whereas the total increase in investment was at the rate of 6.3% per annum. Agricultural credit is another matter of concern that has directly influenced the agrarian system. In table 2 the credit flow in the sector is outlined.

**Table 2: Credit Flow and Achievement in Agriculture (Rs. Crores)**

Year	Short-term		NABARD Refinance	Investment (MT/LT)		NABARD Refinance
	Working group projections	Ground level credit flow		Working group projections	Ground level credit flow	
1997-98	22500	20640	5270	10845	11316	3305
1998-99	25650	23903	5487	12995	12957	3867
1999-2000	29250	28862	5145	15530	15750	4377
2000-01	33500	34700	NA	18608	18804	NA
2001-02	38500	42735	NA	22342	24036	NA

Source: NABARD

Another example is of subsidies; in 1989-90 the total subsidy to agriculture amounted to Rs.13, 500 crores, mainly given on fertilizers, irrigation and electricity. These subsidies have gone towards the developed and wealthier farmers in regions where already investments have been poured in (World Bank Report, 1991) Punjab e.g. received in average Rs.1027 per Ha. In 1980-87 as against the all India average of Rs.511. Similar is the case for institutional credit. Rath (1989) reported that less than 30% of the smaller category farmers are members of primary agricultural co-operatives (PACS) for short-term loan (crop loan), while the membership of other (big farmers) is 75-100%. For long and medium term loans (basically for capital formation) only 1.25% of total cultivating households obtain loan from banks. About 20% of borrowers of commercial bank cultivate more than 4 Ha. and account for 50% of the total credit (Rath, 1989).

The Indian agriculture is receiving at minus 68% of subsidies. Lipton (1977) states that, the hidden agenda of agricultural development is to feed the urban organized population at the cost of rural farming community. This can be seen

from the food import policies of government of India, e.g. Australian wheat and Brazilian sugar was imported at comparatively higher prices just before the harvest season, so as to glut the market and bring down the prices. Such urban bias is thus, exploiting the rural population. Due to the biased policies of both the state and central government the pace of agricultural growth rate has drastically slowed down. The decline in the credit and the reduction of the other systemic support has directly impacted on the agricultural growth and its share in the GDP.

**Table 3: Role of Agricultural Growth (percent)**

Year	Share of Agri. in GDP	Share of non-food in Rural Exp.	Growth rate of Agri. Sector
1973-74	44.0	25.1	NA
1983-84	38.7	34.4	NA
1993-94	32.9	36.8	4.69
1999-2000	26.9	40.6	2.06

Source: Planning Commission, 10<sup>th</sup> Plan Document

As per the table above, the share of agriculture in the total quantum of the GDP is reduced to merely 26.9% with the growth rate of 2.06%. The decline in the growth rate is particularly alarming as more than 70% of the population is deployed in the sector.

**Table: 4 Plan Outlay in Agriculture Allied Sectors (Rs. Crores)**

Plans	Total Plan Outlay	Agriculture & Allied Sectors	% of Agri. & Allied sectors to total
I plan (1951-56)	2378	354	14.9
II plan (1956-61)	4500	501	11.3
III plan (1961-66)	8577	1089	12.7
Annual plans (1966-69)	6625	1107	16.7
IV plan (1969-74)	15779	2320	14.7
V plan (1974-79)	39426	4865	12.3
Annual plan (1979-80)	12177	1997	16.4
VI plan (1980-85)	97500	5695	5.8
VII plan (1985-90)	180000	10525	5.9
Annual plan (1990-91)	58369	3405	5.8
Annual plan (1991-92)	64751	3851	6.0

Plans	Total Plan Outlay	Agriculture & Allied Sectors	% of Agri. & Allied sectors to total
VIII plan (1992-97)	434100	22467	5.2
IX plan (1997-02)	859200	42462	4.9
X plan (2002-07)	398890	20668	5.2

Source: Planning Commission, 10<sup>th</sup> Plan Documents

Thus,

- Extension of agriculture (especially crop production) to the marginal land, hitherto used for other than production purposes has changed the balancing between agriculture and regenerative areas. This has led to serious erosion and loss of top soil and fertility. FAO (1994) reported that if the proper conservation measures on rain fed land is not taken; in that case the total loss in the productivity will amount to a daunting 29%.
- Thousands of people are poisoned by pesticide (50% of them are from third world), in 1983, two million people suffered from such poisoning. Over a period of time, pest builds up resistance to pesticides which requires higher doses of pesticides or developing new pesticides, which is expensive process. In 1984 such resistance to pesticides was known for 447 insects and mites, 100 plant pathogens and 55 kinds of weeds.

Excessive use of chemicals, water exploitation and the monoculture is leading to the depletion of micro-nutrients, loss in soil microbial action soil salination and more incidences of pest and diseases outbreak resulting into diminishing results from farming. Excessive use of the pesticides not only deteriorates the environment but also kills the useful creatures, limiting the biodiversity and natural biotic control to the pests<sup>6</sup>. This phenomenon has been predominantly seen in 1997-98 season because of outbreak of pests on cotton and *arhar*. The chemical control alone does not control the pests, resulting in total crop failure in Maharashtra and Telangana region of Andhra Pradesh and number of farmers has committed suicide due to crop failure and debt.

We need to look at the agrarian situation rather seriously as our locale remains 'rural' and that is where agriculture takes place. Let us see the big picture. Output growth has plummeted during the period of "reforms": annual average growth of agricultural production fell from 5.2 per cent during the 1980s to 1.8 per cent

<sup>6</sup> On this there is a vast amount of literature now available, starting with Vandana Shiva and Suman Sahai.

during 1994-95 to 2003-04 (Reserve Bank of India, *Annual Report*, 2003-04). Agricultural income per capita of rural population grew (in real terms) at less than 0.9 per cent a year during the 1990s, as compared to 1.6 per cent a year during the 1980s. Between 1990-91 and 2002-03, spending by state governments on agriculture fell from 1.22 per cent of GDP to 0.79 per cent. Similarly, their spending on irrigation fell from 1.25 per cent of GDP to 0.94 per cent. (It is worth keeping in mind that only about half of the states' spending on irrigation consists of capital expenditure, i.e., creation of assets.) In the 2005-06, Union Budget, there was an increase of almost 30 per cent for agriculture. But this increase is deceptive: the Center's spending on agriculture had fallen so steeply during the liberalization era that in 2004-05 it was, in real terms (that is, after discounting for inflation), about 20 per cent lower than in 1990-91<sup>7</sup>. Even after the increase in the 2005-06 Budget, the figure is almost the same as the allocation of 1990-91 in real terms. As a percentage of GDP, of course, the decline is very steep: the Center's spending on agriculture falls from 0.49 per cent in 1990-91 to 0.21 per cent in 2005-06.<sup>8</sup> The finance minister declared in his Budget speech "more needs to be done" to shift away from food grains and that the Ministry of Agriculture would prepare a "roadmap for agricultural diversification." Accordingly, the largest hike in the agriculture budget is a new National Horticultural Mission, with an allocation of Rs 6.3 billion in 2005-06. Another Rs 4 billion is allocated for a new scheme to promote micro-irrigation (drips and sprinklers), targeted at the same sections engaged in "diversified", commercial crops. Thus, some 62 per cent of the increase in the allocation to agriculture is on these two counts alone, benefiting fruits, vegetables, and flowers. These are aimed at the export market, processed food companies and the urban well to do. The shift away from the food grains is thus clear.

The growth of agricultural GDP has plunged, from 3.3 per cent in 1980-95 to just 2 per cent 1995-96 to 2004-05.<sup>9</sup> We see a fall in physical output per head during 1996-97 to 2003-04. Indeed, if we leave out horticulture (for which at any rate the data base is acknowledged to be very poor) the growth rate is negative in absolute terms, that is, there was an actual fall in crop output during this period<sup>10</sup>.

The enormous inequality in land ownership in India has not diminished in the last five decades. According to the National Sample Survey (NSS, which, as an official survey, is unable to capture the reality fully) the top 5.2 per cent of rural

households today own 42.8 per cent of the area, and the top 9.5 per cent own 56.6 per cent of the area. The remaining 90.5 per cent of households owned just 43.4 per cent of the area<sup>11</sup>. Among these are the 41.6 per cent of rural households who own no land other than their homestead (10 per cent do not own even homestead land). All-India Debt and Investment Surveys, states clearly, that *land remains the dominant asset of households in rural India* (63 per cent); housing runs a distant second (24 per cent). 87 per cent of rural assets are accounted for by these two. In this respect there is hardly any difference over the last three or four decades. The shares of livestock and poultry and agricultural machinery are small, and have declined over the decades<sup>12</sup>.

The Situation Assessment Survey of Farmers (SASF)<sup>13</sup> was an unprecedented survey by the NSS, conducted at the request of the Agriculture Ministry. It has brought out the situation of backwardness and isolation in which the majority of cultivators are surviving: the non-availability of agricultural inputs and veterinary services at the village level; their poor literacy and education levels; their ignorance of the very existence of the statutory Minimum Support Prices in most of India, let alone their being able to obtain them; their ignorance of (and lack of access to) insurance; and, most strikingly, their lack of access to information on improved agricultural technology. The SASF revealed that only 40 per cent of "farmers" had obtained information on improved technology in the previous year, and of these, most had turned to either "other progressive farmers" or "traders in inputs or output"; a negligible number had turned to public sector extension workers. The SASF brings out another very important finding: cultivators' earnings from agriculture were insufficient even to meet their consumption expenditure.<sup>14</sup>

For average "farmer households"<sup>15</sup> net receipts from cultivation<sup>16</sup> covered only

<sup>11</sup> NSS Report 491.

<sup>12</sup> NSS Report no. 500, and S. Subramanian and D. Jayaraj, "The Distribution of Household Wealth in India", World Institute for Development Economics Research, 2006.

<sup>13</sup> NSS Reports 495-499

<sup>14</sup> "Net receipts" in the SASF are the value of output minus the expenses on cultivation. The expenses on cultivation are listed as fertiliser, pesticides, seeds, irrigation, hired labour, lease rent, interest payments, and other expenses. — NSS Report no. 497.

<sup>15</sup> The NSS definition of "farmer" is "a person who operates some land and is engaged in agricultural activities [sometime] in the last 365 days". The term "farmer" is misleading, because it encompasses very diverse classes, from predominantly agricultural labourer households with tiny farms to landlord households with large ones, but here we are merely reporting the SASF findings, and hence have retained the term.

<sup>16</sup> "Net receipts" in the SASF are the value of output minus the expenses on cultivation. The expenses on cultivation are listed as fertiliser, pesticides, seeds, irrigation, hired labour, lease rent, interest payments, and other expenses. — NSS Report no. 497

<sup>7</sup> Desai R.X, Deteriorating Base. Aspects of Indian Economy. N0.36-36.2004

<sup>8</sup> This is based on Budget Estimates *Union Budgets 1991-92 and 2005-06*.

<sup>9</sup> Report of the Steering Committee on Agriculture and Allied Sectors for Formulation of the 11th Five Year Plan (2007-2012), Planning Commission, April 2007;

<sup>10</sup> Report of the Steering Committee...

about 35 per cent of their consumption expenditure. If we were to add to the "expenses on cultivation" a provision for the depreciation of equipment and buildings, the net receipts from cultivation would be even lower. The SASF gives a figure for expenditure on productive assets used for farm business, but this figure (Rs 1,920 per year) is so low that it would not cover even depreciation, let alone net investment.

The farmer household also engages in other economic activities – agricultural labour, other labour, care of livestock, and small businesses. However, even these prove insufficient to meet the household's consumption expenditures. The *sum* of the average farmer household's earnings from cultivation, wages, farming of animals, and non-farm business (Rs 2,115) is still less than the consumption expenditure of the household (Rs 2,770). That consumption expenditure, it should be noted, is very low: Rs 503 per capita per month, or less than Rs 17 a day.

We may remember that as in other NSS consumption expenditure surveys, it is difficult to imagine that the top section of agrarian society would tolerate detailed and time-consuming interviews by NSS surveyors. And so the surpluses of the landowning elite may not be reflected in this survey. However, data are provided for households operating 10 or more hectares, i.e., relatively wealthy households. Such respondents may have provided answers, but not wholly truthful ones: For example, the monthly consumption expenditure of farmer households operating 10 or more hectares is said to be Rs 6,418. This modest consumption level hardly accords with one's casual observation of the lifestyles of large landholders districts. Were our press to report not only on rural borrowers, but on *lenders* as well, a very different picture would emerge, of the social power of the rural elite and their extra-economic coercion.

The need to clear debts helps explain why, as an official report has revealed, virtually all sales by small peasants are distress sales, with cash payments routinely at a 10-15 discount on the market price.<sup>17</sup> The Commission on Agricultural Costs and Prices has shown how the prices recorded for a number of crops in a large number of agricultural markets are below the Minimum Support Price (MSP)<sup>18</sup> and the prices paid to peasants by their own creditors would certainly be lower than the market prices.

<sup>17</sup> Report of the Inter-Ministerial Task Force on Agricultural Marketing Reform, cited in National Commission on Farmers, Report II

<sup>18</sup> The MSP itself is often set very low. A study has shown how the MSP for 12 foodgrain crops is below the full costs of production (which include the imputed costs of family labour and rent of land) for most states. See NCF, Report V.

The debt of the households has reached alarming levels. How large are interest payments on agricultural debt? The SASF puts the average debt per farmer household at Rs 12,585, of which 57.7 per cent was owed to institutional agencies, 30.9 per cent to moneylenders and traders, and the remainder to others. Taking the SASF's estimate of farmer households, the total 'farmer' debt would be thus in the region of Rs 1.12 trillion. The AIDIS reports that interest rates on rural institutional debt in the AIDIS are clustered in the ranges 12-15 and 15-20 per cent; let us put the average at 15 per cent. On non-institutional debt, 40 per cent of the loans bear interest rates of "30 per cent and above", with no further details given of the break-up within that category; we know from press reports and studies that the interest rates can range upto 150 per cent per annum. We can put the average rate on non-institutional loans at 24 per cent without fear of contradiction. At this rate the interest payments on the farmer debt would be over Rs 200 billion.

A number of other studies indicate that debts to the non-institutional sector are at least twice the size of those to the institutional sector.<sup>19</sup> Indeed, if the debt were only as large as reported in the SASF or the AIDIS, how cultivators carried on cultivation would be a mystery: for the majority of cultivators, as the SASF shows, are in deficit, and the flow of bank/cooperative credit meets only a fraction of their working capital needs. In the year of the SASF, institutional sector lending amounted to only 15 per cent of the value of inputs in agriculture, indicating the size of the gap to be filled by the non-institutional sector. If we take the non-institutional sector to be twice as large as the institutional sector, indebtedness per farmer household comes to around Rs 22,000, and total farmer debt rises to around Rs 1.95 trillion. Interest payments on this figure would be around Rs 410 billion. This comes to nearly 10 per cent of agricultural GDP for 2002-03. Even in this situation the peasants have little choice but to carry on cultivation on any terms. In such a milieu of helplessness, parasitic forces can thrive by grinding the peasants down further and further; thus the returns to usury become much more attractive than on investment in agriculture.

<sup>19</sup> H.S. Shergill report, *Rural Credit and Indebtedness in Punjab*, Institute for Development and Communication, 1998; Anita Gill, Lakhwinder Singh, "Farmers' Suicides and Response of Public Policy", *Economic and Political Weekly*, 30/6/06; N. Shyam Sundar, "Nature of Rural Credit Markets: An Investigation of Eight Villages in A.P.", and R.S. Rao and M. Bharathi, "Comprehensive Study on Land and Poverty in Andhra Pradesh: A Preliminary Report", 2003, cited in Report of the Commission on Farmers' Welfare, Government of Andhra Pradesh, 2004; Report of the Farmers' Commission of Experts on Agriculture in Andhra Pradesh, 2002; Rural Finance Access Survey, World Bank and National Council for Applied Economic Research, 2003.

The opening up of Indian agriculture to multinational corporations and the withdrawal of the GoI from this system of production has occurred simultaneously. Moreover, the internal markets have become unstable due to the lowering of tariff barriers. Unfair terms of trade towards agriculture of developing countries have made matters worse for those who are engaged in and/or are dependent on this system of agriculture.

We thus need to take in this picture that Indian agriculture presents, which admittedly is not a pretty one. The ramifications of the crisis in the rural agrarian economy are enormous and some of them may be seen the heartland insurgency movements which the now have engulfed more than 150 districts in the country. Incidentally we are one of the few 'illustrious' countries in the world that has allowed more than 150,000 farmers to take their lives. They may also be seen in the larger reality where two thirds of our rural population remains malnourished and half of India's children suffer from under nourishment.

India has a strange official definition of poverty, whereby those spending over Rs 12 per capita per day are considered 'not poor'. The National Commission on Enterprises in the Unorganised Sector (NCEUS), has correctly highlighted the fact that the overwhelming majority of the population – which it estimates at 77 per cent, or 836 million people – are living on Rs 20 or less a day. It terms these the "poor and vulnerable" sections of the population. However, it is on shakier ground when it terms the entire remainder as "middle and high income". The segment that it classifies as "middle income" is a large one (19.3 per cent of the population in the NSS 2004-05), with an average daily expenditure of Rs 37.

Those who are described here as "high income", with a reported daily expenditure of Rs 93, are what in common parlance would be referred to as 'middle class'. According to the NSS 2004-05, they constitute some 4 per cent of the population. Together with the wealthy – who would constitute two or three more percentage points – they would constitute the booming consumer market that is the darling of global investors.

#### **The Issues posed by Militancy of the Extreme Left**

*"Revolutionary warfare is never confined within the bounds of military action. Because its purpose is to destroy an<sup>20</sup> existing society and its institutions and to replace them with a completely new structure, any revolutionary war is a unity of which the constituent parts, in varying importance, are military, political, economic,*

<sup>20</sup> The information available in public domain, such as the website maintained by Dr. Ajai Sahni, articles that have from time to time appeared in various journals and magazines and newspapers has been in used to substantiate the statements made in this section.

*social and psychological."*

Mao Tse-Tung on 'Guerilla Warfare'

The 'Red Corridor', extending from 'Tirupati to Pashupati' (Andhra Pradesh to Nepal), has long been passé in the Indian Maoists' (Naxalites') conception. Maoist ambitions in India now extend to the farthest reaches of the country, and this is not just a fantasy or an aspiration, but a strategy, a projection, a plan and a programme under implementation. A multiplicity of Maoist documents testifies to the meticulous detail in which the contours of the current and protracted conflict have been envisaged, in order to "Intensify the peoples' war throughout the country". These documents reflect a comprehensive strategy, coordinating all the instrumentalities of revolution – military, political, economic, cultural and psychological – harnessed through the "three magic weapons Comrade Mao spoke about": the Party, the People's Army, and the United Front. In the Maoist assessment as stated in an EPW article by one Azad 'our beloved country, so rich in natural wealth, human power and ingenuity, has been reduced to a condition that is, in some respects, worse than most of the countries of sub-Saharan Africa. In these nearly 60 years of so-called independence the situation has not significantly improved compared to what prevailed in the last years of the British Raj – at least for the general masses. In the Nehruvian period, the model of development relied on the "trickle down effect"; now, in the present phase of globalization, there is no pretence of even that.'<sup>21</sup>

After a great deal of dissembling and vacillation, India's security establishment, both at the Centre and in the 'affected' States, appears to have conceded, finally, that the Maoist threat is, in Prime Minister Manmohan Singh's words, the country's "single biggest internal security challenge." But the threat is still restrictively envisaged as afflicting only parts of those States where Naxalite violence is visible, and is assumed to follow the erratic trajectory of incidents and fatalities from year to year. However, as the Chattisgarh Director General of Police, O.P. Rathor, observed at a Conference in Raipur, "Statistics of incidents never give a real picture of the ground. Whatever is visible is only the mere tip of the iceberg. Unless caution is exercised, volcanoes can erupt."

It is necessary to recognize, crucially, that the phase of violence, which is ordinarily the point at which the state takes cognizance of the problem, comes at the tail end of the process of mass mobilization, and at a stage where neutralizing the threat requires considerable, if not massive, use of force. Within this context it is, consequently, useful to notice not merely the current expanse of visible

<sup>21</sup> EPW 2006.

Maoist mobilisation and militancy, but the extent of their current intentions, ambitions and agenda.

The documents available in public domain indicate that current Maoist debates and documents condemn the “second wave of economic reforms” as a “violent assault on the right to life and livelihood of the masses”, and call for “an uncompromising opposition to the present model and all the policies that are coming up.” Internal debates on the issue have further underlined the “need to build a huge movement against displacement and the very model of development itself”, and to unite all “genuine democratic and anti-imperialist forces... to create a tornado of dissent that forces the rulers to stop this juggernaut”. The issues at stake envisaged for potential mobilisation comprehend “development driven through big dams, super highways and other infrastructural projects... gigantic mining projects, Special Economic Zones (SEZs), urban renewal and beautification”.

The Maoists’ Urban Perspective Document, moreover, envisages the formation of ‘Open Self Defence Teams’ and armed ‘Secret Self Defence Squads’ in urban areas. The document notes, moreover, that for the Secret Self Defence Squads, one significant form of activity is to participate along with the masses and give them the confidence to undertake militant mass action. Other tasks are to secretly hit particular targets that are obstacles in the advance of the mass movement.

It is useful to recall, in this context, that when talk of the ‘Red Corridor’ was first heard at the turn of the Millennium, most security, intelligence and political analysts simply scoffed, dismissing the very idea as a pipe dream and a propaganda ploy. Since then, however, the Maoist consolidation has occurred precisely along the axis of the then-projected ‘Red Corridor’.

The Maoists believe that there is, at present, an “excellent revolutionary situation in India”, and have clearly declared that “the seizure of state power should be the goal of all our activity”. Building bulwarks against their complex strategy is a challenge, it would appear, that is yet to be imagined by the national security establishment. The challenge lies in recognizing the fact that this is not merely a law and order issue but an issue of better governance and lesser exploitation. However the signs are disturbing. The Guardian, The Newyork Times, The Washington Post and The Economist are quite outspoken on what lies ‘inside India’s hidden war.’ It is under this title that the Guardian reports: “Indian paramilitary forces have backed this militia known as Salwa-Judum (peace march) against Naxalites, turning the forest into a battlefield. Entire villages have been emptied as tribal communities flee from the burning, lootings and killings. The civil conflict has left more than 50,000 people camping under tarpaulin sheets without work or

food along the roadsides of southern Chattisgarh. Campaigners say that the reason why the government has opened a new front in this battle lies beneath ...some of the country’s richest reserves of iron ore, coal, limestone and bauxite.” The Guardian has also noted that the ‘extremists’, about whom B. Muthuraman, M.D.Tata Steel is concerned so gravely after the gruesome Kalinga Nagar killings, “are now at the centre of a corporate debate over how to exploit resources in the mineral rich but poverty stricken tribal belt in India.” The Economist also notes the same determined opposition based on a clear theoretical understanding, when it records the statement from a Maoist spokesman.” He said his party was facing renewed suppression, because the resources of finance capitalism are facing sluggishness in their development, and are looking for new routes such as mineral riches of this forest.” Another influential magazine of the imperialists, The Newyork Times observes that the Chattisgarh government is negotiating about \$1.8 billion in private investment, mostly in the mining industry, which the insurgents violently oppose. It also puts down frankly the Salwa Judum’s aim of ‘clearing the villages one by one to break the Maoist web of support’ and quotes its leader Mahendra Karma as saying “Unless you cut off the source of disease, the disease will remain, the source is the people, the villagers.” In a grim note of caution of October 31, 2006 issue of the environmentalist magazine “Down to Earth”, Maureen Nandini recalls: “India has witnessed in the past what happens when thousands of villagers are relocated to roadside camps without planning for their livelihood options. In 19 66 when Mizo National Front guerillas overran Aizawl, the government retaliated with massive counter-insurgency operations, as part of which they regrouped Mizo villages into virtual concentration camps in order to deny rebels hiding in the hills access to food and water. Tens of thousands of villagers were uprooted and dumped into these camps. Instead of quelling the rebellion, the move spurred more young Mizos to join the rebels. What was worse, the counter-insurgency operations destroyed the structure of Mizo society, its symbiotic relationship with the land and contributed much to the alienation of Mizos from mainstream India. Similar strategies used in the Philippines and East Timor to quell rebellions had terrible effects.” A grim and rather fascinating reply to the letter written by intellectuals was published in the Outlook. The reply, supposedly written by the general secretary of the banned party seeks to justify the stand taken by the Maoist on violence.

“You had called on us to declare a cease-fire and enter into a dialogue with the government. You were dismayed that we had no responded to your call and had even escalated the violence. You also queried whether we are prepared for a dialogue? When the enemies of the people have a single agenda of suppressing the struggling masses through ever-increasing brute force, where does dialogue come in? In fact, ever since 1998 we had always been responding positively for a dialogue on the issues of the people provided the government

cried a halt to its repression and oppression of adivasis and created a conducive atmosphere for dialogue by withdrawing the police and paramilitary camps from the countryside, punish the guilty officers responsible for murders and rapes, and so on.

Today, along with the above demands, other demands such as: immediate disbanding of salwa judum, punishment to the perpetrators of atrocities on the people, suspension of the Public Security Act, 2006, removing obstructions on adivasis who want to go back to their villages from the so-called relief camps have also come to the fore. Is there any justness in asking us to one-sidedly declare a cease-fire and go for dialogue without the government first creating a conducive atmosphere? The talks in AP in 2004 had exposed the hypocrisy and heinous game plans of the Indian ruling classes when the government refused to extend the cease-fire, commenced brutal attacks and created conditions which made second round of talks impossible under YSR's Congress regime. These bitter lessons have naturally become a deterrent for talks anywhere in the country. To ask us to declare cease-fire even as the exploiting classes continue their cruel barbaric campaign against the people means asking us to commit suicide. It is like the poor lamb believing the butcher. We appeal to you to think over the dangerous implications of your call for a cease-fire from our side in today's conditions. You conveyed your worry at our "casual attitude towards taking away life". Deaths of members of the marriage party returning from Gadchiroli or of the traders in Kanker were unfortunate incidents that occurred due to mistaken identity. No revolutionary would ever think of committing such attacks on innocent people. Social scientists and investigative journalists do not stop at mere facts that happen. They would go into the causes behind these incidents, the history and ideology of those who committed such acts, and the overall prevalent atmosphere that triggered such incidents. Such incidents are exceptions in our long-drawn revolutionary struggle spanning over 25 years in Dandakaranya. Our ideology and politics teach us to protect the people as the pupil of our eyes. We value life and peace as no other party or even a humanist does. It is our love and commitment to the people that had drawn us away from our homes and families and goads us on to sacrifice our lives so as the vast majority can live in peace. To accuse us of having a casual attitude towards taking away life is a myth fabricated by the bourgeois media ...."

The Indian state has a task cut out for itself. While on one hand the state will have to contain the violence, it should not fall prey to the same attitude and violence in the affected areas. The only creative response to the situation for a long-term solution to the problem lies in effective people centric developmental

policy and approach. The recent acts passed in the parliament on forest rights and the earlier ones passed on local governance need to be implemented in letter and spirit. The solution lies in tackling real issues of development and rights for us to come out of this senseless spiral of violence. Prime Minister Man Mohan Singh recently said "dialogue and engagement is the best way forward..." Surely, the fallout of waging war on one's own citizens is as serious, and perhaps more so, than the fallout of war between two states.

The build-up by the government is accompanied by the increasing use of extra-judicial killings, arbitrary arrests, and the enactment of security laws, which penalize ordinary freedom of expression. It has also involved, as in Chattisgarh, the use of non-state actors like Salwa Judum to terrorise villagers, burn their homes and force them into camps or outside the state. Over a thousand people have been killed and hundreds of thousands displaced and rendered destitute by the Salwa Judum, SPOs and security forces acting in concert. In the context of Pakistan, the Prime Minister has said: "I was told that Mumbai was the work of non-state actors. I said this gave little satisfaction and that it was the duty of their government to ensure that such acts were not perpetrated from their territory." What is applicable to the Government of Pakistan must be equally applicable to the Government of India and the Government of Chattisgarh, which continues to support and promote the illegal activities of the Salwa Judum and Special Police Officers (SPOs). In addition, even when the Supreme Court has ordered that the Chattisgarh government give compensation and rehabilitate victims of Salwa Judum and security forces, the CG Government has taken no action whatsoever.

The Home Minister's statement that development work can be carried out only after the government forces in the region establish security is against all the principles of citizenship. It also views security in narrow terms as the security of the state, ignoring the real need of ordinary people to be secure from arbitrary arrests, killings and displacement. The police and security view of Naxalism as purely a law and order problem, which justifies the need for more security forces, more police stations and better weaponry ignores the socio-economic context which gave rise to Naxalism in the first place, including concerted corruption and harassment of the poor by the police in these areas. The militaristic approach of the Government of India and of the state governments to a situation that is an outcome of neglect over the years of such underdeveloped regions, largely populated by the adivasis and dalits, cannot be allowed to become 'the solution' towards the resolution of the ongoing conflict. Indeed, the usual insensitivity of the administration and of the forces often from other states has often given it the character of an ethnic war in the affected areas, as is being witnessed in Lalgahar or Dantewada.

The Maoists have responded to the State offensive by retaliating through militarisation. They are killing policemen, security personnel and those they deem

informants, leading to an escalating spiral of violence. All lives are valuable. While they claim to draw their support from the people, their actions are putting at risk the very people they are fighting for, a risk that people are virtually being forced to take.

While the government and the Maoists are engaged in military offensives, the real issues that concern the people have been lost or are severely neglected. Apart from the issue of affirming peoples rights over land and forests and stopping the widespread land acquisition without the consent of the local people and related displacement and dispossession that is taking place, significant issues related to people's right to food security, good quality education and health, regular employment, and the ability to lead peaceful and dignified lives on an everyday basis has been seriously undermined due to this ongoing armed conflict.

### **Governance of the Tribal Areas**

A select committee of tribal MPs from all states and different shades of political opinion

was constituted under the chairmanship of Dileep Singh Bhuria to suggest ways to harmonise the Fifth, Sixth, Eleventh and Twelfth schedules of the Constitution as they impinged upon the Panchayati Raj institutions and suggest modifications in other Acts to strengthen institutions of local self governance in these areas. The committee re-constructed the character of decentralisation, pointing out that decentralisation was not complete by transfer of powers to the lowest rung of representative democracy, the gram panchayat. Democratic decentralisation instead, required empowerment of citizens to govern themselves within a frame of participatory democracy. To ensure that tribal self-governance brought within its ambit all tribal people, the committee recommended scheduling of all tribal majority villages. In addition, the committee recommended administrative re-organisation to maintain the integrity of scheduled areas and rectify colonial practices of divide and rule that fragmented geographically contiguous tribal homelands. In conclusion, the committee recommended constitution of contiguous tribal areas into autonomous districts or sub-districts with councils endowed with legislative, executive and judicial functions, following the pattern of the sixth schedule to ensure that tribal self governance was taken to its logical conclusion.

The Chairman of the Committee in his letter to the Prime Minister very clearly stated that 'the most important fact of the proposed law is that it will

remove the dissonance between tribal tradition of self governance and modern formal institutions, which has been at the root of simmering discontent and occasional confrontations. We are confident that this will mark the beginning of a new era in the history of tribal people. After the new institutional frames become operational, the people will be able to perceive the state apparatus as an extension of their own system in the service of the community, that too, in a crucial phase of modernisation firmly rooted in tradition'.<sup>22</sup>

PESA constructs tribal self-governance around certain key features. The first feature through Sec. 4 (b) is a fundamental departure from colonial praxis as it affirms that an organic self-governing community rather than an administrative unit like a village is the basic unit of self-governance.

PESA also recognizes a habitation to be a natural unit of the community, whose adult members constitute the gram sabha. In Sec 4 (d) and 4 (m) (ii), the community is declared competent to safeguard and preserve their culture and tradition, exercise command over natural resources, enjoy ownership of minor forest produce and adjudicate their disputes. As enshrined in Sec. 4 (m) (vi), the village assembly is empowered to monitor all state institutions within its jurisdiction e.g. schools, health centres etc, with the functionaries under its control.

The Sec. 4 (i), (j), (k) & (l), is a move away from colonial laws like the Land Acquisition Act and Mining Acts, and admits that communities have right to be consulted on acquisition of or access to land and land based resources. It also affirms that the tribal community has the capability and competence to adjudicate on and act in its wisdom to put an end to all exploitative relations including land alienations, money lending, market relations and alcohol. It establishes the supremacy of gram sabha, whose power cannot not be usurped by a superior body.

PESA is well founded on a 'self governed village community' component; hence it is paramount that the unit of self-governance is an actual self-governing village community itself and not a unit decided by some civil servant. Participatory democracy, the second component, inheres in the praxis of a face-to-face self-governing community, like two sides of a coin. But all the states, without exception, have continued with their earlier revenue definitions of village. Thereby the village consists not only of 10-12 scattered hamlets, but several revenue villages are clubbed together to form a gram panchayat. This effectively precludes the functioning of a 'face to face' community as envisaged in Central act and eliminates the likelihood of a functioning gram sabha, which could shoulder the responsibilities of a unit of self-governance. The law is dead with the manipulation of the definition.

<sup>22</sup> Sri Dileep Singh Bhuria in his letter to the PM, quoted in Sharma B D ' Whither Tribal Areas: Constitutional Amendments and After ', Sahyog Pustak Kutir, New Delhi, 1995, Page 8

PESA recognizes that tribal communities depend on village commons and forests, which they consider their common property resource (CPR). Access to CPRs is linked to survival and livelihoods of tribal communities, the basis of their (anna-aasraa-aarogyaa) food shelter and health security, a buffer against income fluctuations, crop failure and water shortage. Traditional ownership of CPRs in tribal areas was collective while access was regulated by customary or 'unwritten law', which found no place under British law. But in the last 60 years of independence, no efforts have been made to reverse these colonial laws based on the principle of 'res nullius'. On the contrary, the principle has been further strengthened in legislations pertaining to CPRs. Government of India survey report defines CPRs as "resources which are accessible to and collectively owned/held/managed by an identifiable community and on which no individual has exclusive property rights". However, the definition itself is in conflict with the legal frame as CPRs are recorded as government lands without community titles. As a result, CPRs, particularly village commons, forest and water, are the locus of conflict between people and government, on the question of ownership and access, a conflict, which has resulted in their degradation.

#### **Globalization and the Tribal world**

At the ground level, let us look at the issue of tribes and globalization in the Indian context. It has now been accepted that our tribal heritage is under a threat, not just from the Indian state but also from the international finance capital. This threat manifests itself under the rubric of the structural reforms programme of the IMF and the World Bank, which would demand a total opening up on the vast sectors of our economy, biodiversity areas and agricultural sectors. Coupled with this are the changes in the patent laws, which immediately put the traditional wisdom systems under considerable strain. What is the impact of this massive force that has been unleashed by the international finance capital on the lineage society today?

Globalization for many means integration and development. However, for others it represents processes of imposition, disintegration, underdevelopment and appropriation. This process in the context of a nation state or a multinational state entails continued extraction of debt servicing payments of the third world; depression of the prices of raw materials exported by the same countries; removal of tariff protection for their vulnerable productive sectors; removal of restraints on foreign direct investment, allowing giant foreign corporations to grab larger sectors of the third world's economies; removal of restraints on the entry and exit of massive flows of speculative international capital, allowing their movements to dictate economic life; reduction of State spending on productive activity, development and

welfare; privatization of activities, assets and natural resources. The Concerns of the common man are not getting reflected in the life systems that are being imposed.

The Govt. of India, in the year 1991 embarked on the Structural Adjustment Programme. This was to bail out its finances and help the govt. reduce the fiscal deficit. Under the terms of the agreement the rupee was devalued, the economy opened up, GATT treaty signed along the trajectory of the Dunkel Draft and the final subjugation in the WTO on the terms of the IMF and the World Bank. What has been the net result of the above? Successive Indian governments have adhered to the terms of trade and agreements as per the dictates of the WTO. Let us look at the impact of it all on the behavior of the Indian State. Under the guidance of the IMF and World Bank, successive Indian governments slashed their expenditure on rural development from 14.5 per cent of GDP in 1985-90 to 5.9 per cent in 2000-01. Was expenditure by Centre and states on rural development to have remained at the same percentage of GDP as in 1985-90, it would not have been Rs 124,000 crore in 2000-01, but Rs 305,000 crore, or more than two and a half times the actual amount. Obviously the government of India is withdrawing from the development sectors and is abdication its primary responsibility of looking after the assets of the republic. This will only result in a disastrous situation where people are being left to fend for themselves. More than 85 per cent of the resources of the country are routed to sustain a mere 10 per cent of the elite of the society. The worst cases of exploitation are from the larger tribal world that also incorporates the Denotified tribes of the subcontinent.

Obviously there are no easy answers. The fact that whether we want to have the global agenda of the markets is a redundant question. It is obviously here. The real issue is whether we can cope with it or not. What is it in our progressive tradition that can take our inspiration from to the fight against the oppressive and predatory international finance capital? The path of an alternative vision of a society that believes in equity of caste class and gender, in secularism and in freedom from oppression is a path of hardship and labor. However, we must tread that path with honor and dignity, with hope and confidence. For, the sane of the world, of the country, there is no other option left.

Today India after more than sixty years of independence is at the cusp of history once again. She is internally torn asunder, yet has sectors of society and economy who have 'grown'; she has one of the finest exposition of articulation of peoples interests in her constitution, in the 73<sup>rd</sup> amendment, in the preamble, yet that does not translate into anything for the vast majority of the people who happen to inhabit her.