

Political Economy of Natural Resources and Geography¹

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Indeed, it is my proud privilege and pleasure to address this august gathering and I am immensely thankful to IIG to have provided me this occasion. I shall speak on some issues and worries that challenge higher education in geography in our country but in particular reference to the principal theme of this Conference, titled, Political Economy traditionally dealt with distribution after the production process is complete, in the sense of factor distribution, class distribution and in an extended sense, regional distribution

of wealth and national income. The factor distribution deals with share of productive factors like labour and capital and class distribution and regional distributions are "redistribution" of national income and wealth based on criteria of welfare and justice through policy mechanisms adopted for the purpose. However, this classical notion based on the experiences of European (formerly) Centrally Planned Economies assumes appropriation and ownership of means of production (like land, natural resources and factories etc) by the State. Distribution of such means of production, especially land and other natural resources themselves assumes great significance in market economies and perhaps, even more so, in economies like ours with very high population densities and therefore, ownership and distribution of natural endowments. The questions of equity and justice are as much integral part of ownership of resources, as much of the fruits of the production processes, income or wealth.

Geographers have traditionally kept themselves away from issues of equity and justice, till about mid-sixties when issues of socially relevant geography arose in the west. An earlier text, Geography of Hunger by de Castro (1949) was largely unknown in English speaking world. Harvey's text

1. Presidential Address delivered at the 34th Indian Geographers' Meet on 12th November 2012 at CESS, Thiruvananthapuram.

Social Justice and the City (1973) was a pioneering work and received wide attention. However, barring exceptions, the issues of equity and justice in geographical studies in our country have been limited and away from “the mainstream geography” and often writings on such issues are questioned, if they are at all in the domain of geography itself.

Geography teaching and research in the country in the past half a century, especially in the field of economic geography has been much cultivated, be they resources, agriculture, manufacturing or services, but there is little output of significance. Much effort has been expended on identifying regional backwardness, at state, district, blocks or even village level; even Human Development Indices have been worked out for villages, but little has been said about how deep are the issues buried under the statistics of inequities nor how do we address the issues gainfully within the framework of Constitution and polity that we have. Somehow or other we may have succeeded in scratching the surfaces of those deep rooted problems and have shied away from more profound issues that beset our nation, our polity and the people.

I wish to draw your attention to some of the deeper issues of distribution (equity and justice) of natural assets of the people of the country and sharing of the benefits of our labour. As geographers, scientists and as people pursuant of knowledge (including self-knowledge) it may do a great service to the nation and ourselves, if we move away from the much trodden path and look at instant issues with a sense of urgency, if we intend to be noticed by

academics across (other sister) disciplines. The issues of natural resources like land, forests, water and mineral are fundamentally geographical in nature in their occurrences but how they are accessed and consumed are deeply political. Mere narration of their occurrences, providing dignified statistics may not prove to be much useful from practical or from policy perspective—what is needed, perhaps, are outcomes that provide policy perspectives, which necessarily will impinge on economic and social dimensions. Even in mainstream economics or sociology, analysis of natural resources at best finds a marginal space—only in recent times that natural resource economics has been emerging as a field of some importance (Since, natural resources were treated as “free gifts of Nature” and their “availability (supply), unlimited” under neo-classical framework !). Similarly, environmental movements during last couple of decades (especially after the Rio Earth Summit, 1992) have spurred interests of sociologist world over. This, indeed provides great opportunity for geographers to study natural resource issues from a comprehensive point of view (rather than the narrow “geographical perspective”), especially that this question has assumed great significance during the past two decades (post-economic deregulation era in India).

I come to some specific issues:

Land Resources:

We live in a country that is land scarce, the per capita availability of agricultural land is less than 1 ha. Moreover, effectively 60 percent of the 1200 million citizens of the country are directly dependent on farming and allied

activities, i.e. 720 million, approximately. Agriculture contributes around 14 percent of the GDP of the country—as a gross measure, the farming population, therefore have a GDP/per capita less than quarter of the average. Roughly, 55 percent of the geographical area of the country is under NSA and there is little scope of expanding it further. In fact, there is immense pressures now to further reduce the land under various agricultural practices to provide for other competing uses, like housing for expanded population, expansion of cities (which is likely to further accelerate in near future), demands from infrastructure development (like roads, railways, airport and so on) and new manufacturing facilities and opening of mineral zones. This may in some respect put pressure on our food security, but more important, would farming activities, even of the most advanced kind provide a reasonable life to such a vast population, more than one-third of which has no farm land in any case? The choices are complex and difficult. Some estimates that forecast India's population to stabilise between 1.4-1.5 billion in next 3 decades, also predict that two-thirds of that population will be in urban areas and about one-third (500 million) in rural areas. This puts urban population to about a billion as against the current figures of about less than 400 million. The new Land Acquisition Bill is under the consideration of the Parliament that replaces the old Act of the British Raj. Whereas the new bill provides certain protections to the seller, it would also make urban land considerably more expensive and infrastructure and other projects less competitive. There are issues, which might have far reaching consequences and the discourse is to evolve. There are also those

who hold a highly romanticised perspective on the rural life (*India lives in villages*, e.g.), which is too simplistic and prescribes to force people to live in poverty and deprivation to perpetuity without efficient access to public services. South Korea is an excellent example where the entire population has moved to more organised habitats and housings during the last 3-4 decades to the extent that every Korean home has a broad band internet connection, which neither Japan or the United States can boast of. South Korea that developed as an underling of Japan and the United States now gives stiff competition to both. What I state here is that whereas we need a New Land Acquisition Bill, we also must balance our future needs of affordable housing to millions by not entirely discarding market based pricing of land, which can engender inefficiencies and high cost for precisely millions of people who are compensated now and wait in the wings to migrate to the cities in future.

On the other hand, we have millions of tribes and forest dwellers both in Central India and the North East who face threats of a different kind—their traditional homelands being not surveyed and settled are easy prey to marauding land grabbers whether migrant non-tribal, corporate and often the State itself. These are non-documented communities and their land rights (both in Fifth and Sixth Schedule areas) are only customary and therefore, are easy prey to land-grabbers. The Forest Rights Act (2007) that was enacted with all good intention has barely moved, largely due to apathy of concerned State Governments, land essentially being a state subject. There is the need for further reforms in the land sector

and more so effective movement from forest and land bureaucracies.

We also need macro policies on land, especially in respect of localising new manufacturing and infrastructures, especially identifying agriculturally poor land, barren land and such tracks with reasonable transport access which can be earmarked for manufacturing or other non-farming activities, so that fertile farm lands are spared from non-farm activities. Professor H. Ramachandran's study (2006) on this is an excellent example of how geographical studies can help in macro-policy realm. However, much more can be done in this regard to achieve a balance between growing demand on land for various non-farm activities and uses, including accelerated urbanisation in the country in coming decades and those from the perspective of food production and food security of the country. Our expertise in RS/GIS can very effectively be used for such practical policy issues.

Freshwater Resources:

The country has been reasonably endowed with freshwater resources, despite periodic failures on monsoon. However, we are fast reaching a stage of criticality of freshwater availability per capita (availability of 1197 Cu.m as against current requirement of 1680 Cu.m, UN: *World Development Indicators*, 2012). Of the 1446 bn Cu.m of total availability of freshwater for the country as a whole, total withdrawal has been around 761 bn. Cu.m. per year (39.8%), of which Agriculture draws about 15%, Industry 0.3% and domestic potable use, 1%. For our future survival water may hold key for

agriculture and food production, potable uses, industrial uses and we are already witnessing the contestations over water all around the country. Water is notionally a free gift of nature, but it is critically precious, scarce and a deeply political issue. It may be noted that what freshwater we receive is not geographically evenly distributed, we have areas with over 200 cm of precipitation and in other areas with less than 15 cm of average incidence per year. There are running disputes between riparian states, between citizens and the State (the big dam projects e.g.), between the large farmer and the small farmer, between the farmers and the urban dwellers and there are of course international disputes, whether with Bangladesh, Pakistan or China. Many of the issues are extremely complex and need resolutions. Meaningful geographical studies on water issues are scanty, some lamentations on decline of quality of river water but rarely that provide attention how to move forward, what water policy could be adopted at macro level and how to resolves issues at the local level.

Minerals Resources:

India is reasonably well endowed with mineral resources, especially with the ferrous group, Aluminium, but much less in noble metals and energy resources (except, coal). However, their occurrences are obviously quite disparate. These are keys to our future industrialisation, thus employment generation and exports, apart from meeting our domestic needs. The mineral occurrences and mine development are connected with land issues and the occurrences are also in areas of forests and

tribal concentrations, which impinge on land acquisition and environmental issues. Whereas from policy perspective, all major minerals are covered under the Union List for exploitation, the lands on/under which they occur are state subjects. All environmental clearances require permission from the Central Ministry of Environment and Forest, but their actual development is under jurisdiction of respective state governments. The public policies are unclear or at best ambiguous. Who makes such policies? Is it the prerogative of the Government of the day or are the policies subject to judicial scrutiny? The recent ruling of the Honourable Supreme Court of India at least validates the prerogative of the elected Government of the day to make necessary policies on natural resources. However, once the policies are made and procedures notified, the actual processes are subject to judicial scrutiny to avoid any arbitrariness or discretionary allotments as evident from the 2G spectrum case and the fracas over the coal mine allocation in recent times. However, there are important policy areas that still need clarity. For example, the *policy of price equalisation* followed from mid-fifties in respect of energy minerals like petroleum or coal, especially from Public Sector agencies which have a virtual monopoly over energy mineral distribution. This has a built in bias against mineral rich regions that lose *comparative advantages* for industrialisation based on occurrences of those minerals that they have. The mineral royalty provisions are so little that they hardly generate any significant revenues for the regions that could assist those states or regions to develop. There are also difficulties in policy framework for sharing the benefits

of mineral exploitation in a sustainable way with resident population of those areas or those who are likely to be displaced due to mineral exploitation. Invariably such people are those vulnerable to poverty and deprivation or a variety of historical disadvantages, like those of the Scheduled Tribes. The policies must balance between market efficiencies as well as equities and justice to communities. The results of such lackadaisical attitude, failures in clarity in public policies are reflected in the accentuated problem of Naxalism in the vast tribal underbelly of Central India. Private or Public enterprises and economic equity and social justice need that balance. How could we geographers, concerned with resource related issues, may contribute fruitfully to the debate?

Forests and Forest Resources:

Much of the mainland India is devoid of forests. Good quality forest cover in the country is less than 8% of the geographical area (NRSC, 1998) much of which remain in the North-eastern parts of the country, as against the policy to retain 22% land under forests in plain areas and 67% in hilly areas. Much of the land notified as forests may have just scrubland or no trees at all, of any consequence. Most efforts of afforestation in past 3 decades of re-greening the country have not yielded in any perceptible results. Our forest related policies and practices are still imbued with our colonial past and practices set out by the Colonial rules and policies. The forest departments are saddled with large tracts of “forest land” with no tree at all, but are reluctant to lease out such land to private entrepreneurs, youth

and the unemployed through appropriate policy framework for such purposes so that greening that failed through public sector mechanisms could, perhaps succeed through private enterprise. The current policy of community efforts (social-forestry system) that started with much fanfare has not delivered, for simple reason that unless there is inbuilt economic benefits that can accrue to private participants (not necessarily corporate), such mechanisms may not work. Issues on forest lands owned by the Government as custodian of the citizen ownership of the “national commons” are not adequately debated and democratised. Millions of citizens own no land, no natural assets, yet the degraded, barren lands cannot be carted out to those willing to use them or develop them.

The forest issues are also intricately connected with conservation of our biological diversity and genetic pool that is fast depleting. People often are considered threat rather than conservers and inheritors of our biological heritage. Of course, individual greed, marauding interests must be sternly checked, but conservation is impossible to succeed without citizen’s participation. Some moves have been made to resolve the man-animal conflicts, but this is far from satisfactory or sustainable in many conservation areas like bio-sphere reserves, national parks and sanctuaries. Some studies by geographers on such issue lately appear in scholarly publications, but largely confined to problems only, than what steps or measures could be taken for effective conservation.

The forest issues are also connected with the tribes and nomadic groups who

traditionally lived in forested tracts or notified forest areas. There are inherent conflicts of conservation and habitat rights and customary practices of the tribes and other forest dwellers, particularly on their land rights. The Forest Rights Act provides only enabling provisions. The real moves are to be carried out by the concerned states. The relative successes of forest conservation in the North-eastern Region of India, owes much to the Sixth Schedule provisions that provide inherent rights to the villages and the communities, leading to most of the forests being owned not by the Government, but by the communities themselves. But here too are pressures and distortions that arise from the very customary practices and institutions that were intended to protect, and which provided some successes to forest conservation, particularly in the hilly tracts of the Region. These may need a fresh relook, which undoubtedly is a political question.

The Questions of Equity and Justice:

Equity and Justice are fundamental to our nationhood and polity as enshrined in the Constitution of the Republic. Economic progress could generate inequities. Economic progress is necessary to provide economic spaces to citizens to appropriate opportunities, but in the process there are millions left behind who need the public institutions to insulate them from the negativities of economic progress. In a welfare state, the Government of the day needs to balance the forces of economic progress with processes that engender inequities through effective policies to protect, incentivise or if needed, directly

intervene. Without equity there shall be no justice. Without justice there is no democratic polity.

The question of justice arise out of relationships and actions between citizens and the State, citizens and other State or non-State institutions and between citizens themselves, wherein a party is aggrieved and looks for a just resolution. The *transcendental institutionalism* (Immanuel Kant, Thomas Hobbes, John Locke and Rousseau) during the early Enlightenment phase provided an absolutist framework for the society that once appropriate institutions are in place, justice could be delivered to the aggrieved parties (Sen, *The Idea of Justice*, 2009). Say for example, the parliamentary institutions, once are in place, they deliver (justice). In the same manner, the demand for a “Jan Lokpal” and once instituted, the problem of corruption in high places shall be resolved and justice, delivered. The foundations of the idea of justice, however, was and is a moral one, based on “reasonableness” of actions (reason), time and context specificity, therefore the main divergence to a “relativist framework”(Adam Smith, Karl Marx, J.S.Mill and Amartya Sen) that is based on *realisation-focused comparison*, continuously moving towards better delivery of justice as the societies evolve or even on horizontal comparisons. The latter focuses on justice from various practice perspectives as the society evolves and different resolutions are sought. Say for example, whereas a higher price for acquired land with annuity could be “just” from the perspective of the landowner (farmer), the higher land prices and conversely higher property prices will be considered “unjust” from the perspective of the property buyer, who could be the

urban poor too. Similarly, whereas mining in forested areas could be an “unjust act” for the immediate community and the activists, a ban on mining could impose higher energy costs to the consumers, which from utilitarian point of view shall be considered “unjust” too. Therefore, the question of social justice cannot be resolved only within the institutional framework, but a number of tradeoffs between different stakeholders and with different perspectives. It is in essence an *unbounded* idea and therefore, is subject to constant negotiations. The idea of equity however, could be considered as one issue within the framework of justice, i.e. from the egalitarian perspective only.

In a diverse country as ours, the question of equity and justice from individual standpoint may be as important as from the perspectives of geographical regions and communities that live in such regions of variegated scales, from local to states. The adoption of Gadgil Formula and its subsequent modifications provided policy framework to provide equity and justice in the economic sphere, by reallocation of financial resources and grants to those states which perform under par. This, in some respect, acts as in the fiscal policy by way of ‘taxing the rich to provide for the poor’ that a welfare state is required to do. Therefore, there is some reallocations of resources generated from the rich states to provide for the poorer ones. But this may not be enough, since there is no further reallocation of resources below the state level, except under the Tribal Sub-Plan mechanism. There are regions within larger states, be it Bundelkhand or Eastern UP within Uttar Pradesh, or Vidharbha or Marathawada in Maharastra, or Western Orissia (the infamous

KBK region) in Odisha, the reallocation mechanisms are inadequate or poor. The 73rd and 74th Constitutional Amendments had at least provided a framework of reallocations from macro (national) to micro levels but have not yielded desired results. Much of the central policies whether on land, water or minerals or on forests can only translate to reality by actions at the state level. However, the political economy that obtains in contemporary India, a fractured polity and ambivalent constituencies lead us nowhere near a coherent perspective to equity, justice

and progress. As a nation, we have lost the dream, but may not be our ways, yet. We are prisoners of our present and unsure of the future. We are a free nation, yet we are not free ourselves from vicissitudes of inequities and injustice. As scientists and teachers concerned with human welfare, do we or can we deliver solutions to at least some of the myriads of problems and issues that beset our national life?

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