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ECO-LOGIC

Propitiating the Forex God

A central plank of the new economic policy is export-oriented economic growth. Natural resources conserved by various communities are now up for grabs, writes *Ashish Kothari*

NINETEEN ninety four was marked by a series of massive protests by fisherfolk living along India's coasts. On February 4 and again on November 23, millions of fisherfolk struck work. The target of their ire was the Indian government's current thrust towards opening out the country's fisheries to export-oriented, mechanised harvesting.

While their concerns related to marine resources, these fisherfolk were voicing a common worry of social activists and environmentalists across the country: will the renewed thrust towards exports deal a fatal blow to the very resources on which the majority of people in India are directly dependent? It appears so. As the Indian upper class greedily laps up the luxury consumer goods which have flooded the Indian market, courtesy the new economic policy.

India is now into its fourth year of the new economic policy, directed largely by the Structural Adjustment Programme (SAP) influenced by the IMF-World Bank combine. A central plank of this policy is export-oriented economic growth: foreign exchange is officialdom's new god; exports, its main vehicle. There is in this an overarching objective: to integrate India with the global market. This means making available Indian natural resources to outside markets. Natural resources painstakingly conserved and sustainably utilised by various communities are now up for grabs.

I am not against a judicious policy of exporting what India has an abundance of. But a rational export policy would ensure that domestic supplies of the same products are not hijacked, that exports do not cause domestic prices to skyrocket, that the resultant

exploitation of resources is ecologically sustainable, that the rights of local communities from whom resources are being extracted are respected, and that they control and benefit from the exports. But the current thrust violates these principles.

The examples of marine products and minerals are illustrative. In 1992-93 alone, over 70 marine fishing and fish processing projects for export were cleared by the Central Government. These projects are not

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handled by the small-scale fisherfolk of India's coastline, but by big trawler owners, foreign fishing companies, food canning and processing corporations and the like. Fish catch along much of India's coast is already stagnant or on the decline (due to serious overfishing or habitat destruction), and small-scale fisherfolk are up in arms at the loss of their livelihood as a result of modern trawling. Government assurances that trawlers will not interfere with traditional fishing grounds, and will instead go deeper into the sea, have proved hollow in the past. Trawlers find it more prof-

itable to fish closer to shore, and have the political clout to do so.

Fisherfolk and farmers along the coasts will also be seriously hit by the spate of new prawn and shrimp farming ventures which are being cleared. There has, in fact, already been a rapid expansion of such aquaculture, largely oriented to foreign demand for sea-food. Such farming involves intensive management of coastal ecosystems, oriented as it is towards a single species; this invariably disrupts the delicate salinity balance of coastal areas and adversely affects their biodiversity. In many areas of the world, such farming has left marine deserts in its wake. Since large-scale operations standardised to meet stringent export requirements can be met with mainly by big companies, benefits hardly go to small fisherfolk. In 1993, 24 aquaculture projects were approved, 17 of which were 100 per cent export-oriented, seven with foreign collaboration. A case study from Nagai Quaid-e-Milleth district of Tamil Nadu has shown that serious pollution problems have been caused by prawn farming, and that employment per unit area of aquaculture has decreased. Similar experiences are being reported from other parts of India's coastline. Large-scale trawler operations will also have a serious impact on marine biodiversity, including endangered species. Still deep sea fishing jetties are being proposed near Bhattarkanika Sanctuary, Orissa, close to the world's largest nesting site of the Olive ridley turtle, an endangered marine reptile.

Mining is another major targeted sector. In the two-year period 1992-93, 25 projects which are 100 per cent export-oriented were approved



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for making granite products. Most minerals are likely to be extracted from open-pit mines and by blasting hillsides, causing irreparable damage to natural ecosystems, hydrological patterns, agricultural fields and rural settlements. This had already happened in Tamil Nadu and Andhra Pradesh, and will now be greatly multiplied. And why? Just so that Japanese and European consumers can have some fancy granite slabs adorning their houses. Recent changes in the mining policy have also made access to multinational mining companies much easier.

Other sectors which are receiving a major boost for export purposes include agricultural industries and food processing. On the face of it, agro-industries should help rural communities in adding value to their produce, and fetching them a better price. The dictates of the export market, however, often have ecological and social consequences which undermine the sustainability of such value addition. There is usually a conversion of land from food cropping to

cash cropping (cotton, sugar and tea are being promoted now). An exception to this could be rice. In both these cases, however, production will be intensified through artificial inputs like fertilisers and pesticides, and genetic diversity will be eroded as export markets and large-scale agro-industries demand standardised, uniform products. Nor is the small farmer going to be greatly benefited by this trend, since the investments necessary are often beyond his reach. Already his land is being bought over by companies going in for floriculture and other export-oriented activities. The new export thrust will greatly accelerate a spiral of socio-economic inequality and ecological degradation. It is tragic that the poor are to be deprived of their fish, farm food, and even their homes if they happen to fall on granite-rich lands, so that the rich Westerners can savour delicacies and live a little more lavishly.

There is, however, some hope of defeating or dampening this trend. The call for a new fisheries policy—which supports the small fisherfolk in

fishing in deeper waters, respects their rights in coastal areas, restricts fishing in the spawning season, and spells out other conservation measures—has been made with such force that the government has temporarily stayed further clearances of trawling projects. Popular movements have forced Cargill to abandon plans for salt manufacture in Kutch, and the Tatas to give up their aquaculture plans in the Chilka lagoon. Environmentalists have initiated legal proceedings against mining and trawling in ecologically sensitive areas. Small groups are working towards promoting exports of medicinal plants and other such products made sustainably by local communities. These are signs of people waking up to threats and resisting the sell-out.

These movements can help formulate an export policy in tune with an ecologically and culturally appropriate land and water use strategy.

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