CHAPTER-1
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The Public Policies: A Critical Review with Special Reference to Orissa

Although many works have already been done in the area leading to the problem of food security and migration, I am looking at it in a different context. The role of the State in post-liberalization phase from a welfarist orientation to a neo-liberal state, the ideology that scripted the end of the welfare state which had enjoyed the position of pre-eminence for over 40 years. The policies of economic liberalization, inaugurated in 1991, set in motion a process of economic reforms whose short-term results appear to be economically ambivalent and socially chaotic. Liberalisation provided Orissa with a chance to ‘globalise the question of its development’ to obtain international capital for developing the State. In the early 1990s, Orissa attracted the largest amount of international capital and it was argued that it would become an ‘investor’s paradise’ and the ‘gateway to the East’. However, liberalization merely spawned many conflicting opinions, fragmented the polity with demands for funds, recognition of special status, benefit packages, complaints of backwardness and reckless policies that finally benefited the benefactors more than the supposed beneficiaries, due to corruption and collusion between politicians and bureaucrats. The bureaucracy and the administrative system in Orissa have not been modified specifically to the needs and purposes of the society, state and the political system. It is the inadequacies of bureaucracy at the grass-root level and lack of effective linkages with higher levels in the administrative hierarchy that feature prominently as important constraints to proper implementation of the public policies. In this context the problem of food security and migration has increased manifold. I will be looking into the impact of public policies in Orissa in the 1990s. A whole gamut of policies will be looked into starting from agriculture, policies related to land and forest, policy reforms and investment in mineral resources facilitating private sector investment in mining and mineral based industries which has posed a major threat to its environment and social fabric, displacing and undermining the way of life of thousands of Adivasis. Although food insecurity remains my area of concern, I will be looking into more specifically the problem of migration in Two Districts of Orissa.
Public policy is viewed as a means of creating a new future, and the absence of policy is an acceptance of the status quo.\(^1\) It is a conscious intervention to alter the existing conditions in the society. It is becoming increasingly important in most of the developing countries and the overall development of the society has come to rest on policies pursued by the state. A frank evaluation of the policies is thus called for which would help in not only understanding the nature and impact of a public policy but the scope and limitation of this instrument in bringing about the socio-economic development.

India initiated the economic reform process in 1991. The system of ‘License Permit Raj’ has been gradually replaced by more market friendly economic system where economic decisions of private agents responded to market signals. The reforms involved two major components: trade liberalization aiming at outward orientation and integration with rest of the world and deregulation and privatization of industrial and financial activities that placed the private sector as the major driver of economic growth. The primary objective of the reform was to put the economy on a sustainable high growth path by providing an incentive framework that leads towards an efficient allocation of resources across various sectors in the economy. It was expected that the higher growth path would be broad based enough to improve welfare of all major sections of the population and of all regions in the national economy. In particular, it was argued that liberalization was needed to remove poverty at a faster rate. Implicit in this objective was the supposition that the poorer states would benefit more or less equally from the reforms as the richer states.\(^2\) Taking this into account there is a debate on the trends in regional inequalities in India, its causes and policy challenges. The tentative conclusion is that the evidence in support of “divergence” is stronger than for “convergence” in development among the states, particularly in the post-reform era. What is more, the divide between the western and southern regions on the one hand and northern and eastern regions on the other has sharpened with the former outpacing the other in growth. Even after the initiation of

\(^1\) Nicholas Jequier (1972) \(^{13}\), Science Policy in the Developing Countries: The Role of the Multinational Firms” in Gustove Ranis (ed), The Gap Between Rich and Poor Nations, London :Macmillan, p.344.

reforms in Orissa, the progress achieved is rather slow due to the inability of the state to implement radical land reforms, infrastructural deficiency and human capital formation in terms of literacy, education and health of rural population. Many of the objectives of achieving the objectives of growth with social justice are unattained due to the failure to take account of these initial conditions. Orissa earns the dubious distinction of being the poorest State in India with an estimated 47% of its population living below the poverty line. In the post-reform period, the infrastructure has been built and institutions organized and restructured but full potential could not be realized on account of certain defects in the policy environment. Despite some rise in the private corporate sector saving, in the post-reform decade of the 1990s there is a failure to ensure social justice through the effective implementation of land reforms, expansion of employment opportunities and provision of universal primary education and primary health facilities. The weakest aspect of reforms in the State of Orissa so far is the insufficient attention given to the social sectors and poverty alleviation. The economic reforms so far have been concerned basically with industry and trade, and the attention being given to social sectors has not been adequate to provide the much needed ‘safety net’ for the poor with a view to protect them from the adverse effects of economic reforms. Unless the development of backward regions where poverty is extensive gets a high priority in the package of reforms, the accentuation of regional disparities in development is almost a certainty as is already borne out by the post-reform experience of the 1990s (Ahluwalia).


4 Figures Taken from Govt of Orissa, (Census Directorate, Census 2001).

5 Government of India, Economic Survey 2003

6 In 1993 Orissa was one of the poorest of Indian States, with per capita income of Rs 1155 and per head debt burden of Rs 1991. About 66% of States income that year went towards the repayment of charges. This ratio of debt servicing charges is the states income compared unfavorably, for instance with Bihar (52%), U.P. (48%), Rajasthan (47%). (Business Standard Aug 11th 1993).

The anti-developmentalist rhetoric questions the market friendly, liberal economic policies of the State of Orissa. The self-congratulatory tone of Orissa’s liberalizing rhetoric—oozing the anticipatory warmth of the economic ‘feel-good’ factor has stopped short of hegemonizing the State’s discourse of development. Dissonant voices keep complaining that half-hearted plans to change the face of the backward state have further complicated the issue of poverty amidst plenty, and that grandiose schemes to ameliorate the conditions of the Oriya people have enriched the benefactors more than the beneficiaries. The recklessness of some moves towards privatization has been held to be leading to the depletion of the state’s valuable natural resources for the benefit of a segment of the society, corrupt businessmen working in collusion with some unscrupulous politicians and a section of the bureaucracy. The controversy over the Orissa government’s discretionary award of leases for mining bauxite to the private entrepreneurs is illustrative of this. The foremost challenge therefore is to reconcile the goals of economic efficiency with social justice. In a democratic polity like ours, economic liberalization can succeed only in the measure in which it is able to win the support of the large majority of our people who still suffer from various social and economic disabilities at the same time where land reforms have been implemented effectively and a high priority has been accorded to infrastructure development, agriculture and human resource development within a liberalized economic policy framework (Rao 1996). However in a country like India and more so in a State like Orissa, the physical and social infrastructure re-inherited from the pre-liberalization is not strong and the redistribution of land on a significant scale is not feasible, so also public investment has not been stepped up significantly for human resource development and for expanding physical infrastructure in less developed areas. The physical infrastructure Development (PID) has worsened over the years (Ghosh and De 1998), due to the unequal capacity of the state to invest on the scale required to build its

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infrastructure and inadequate investment by the centre in the state. Secondly, the structural transformation of the rural economy is marked by its absence with less agricultural growth. Again the rural industries have not been strengthened for greater labour-absorption. It calls for improving access to infrastructure, technology and credit, especially for the resource-poor sections. There remains a need for the development of infrastructure in the less developed regions, supporting agricultural research and extension focused on the resource-poor regions, human resource development, particularly in the area of education and skills, and for ensuring decentralized development.

The Orissa Government’s Policy Document on Agriculture 1996:

The Orissa Government came up with its policy document on Agriculture, in 1996, “adopting a bold and unique agriculture policy for the first time in the country to increase investment in agriculture, bringing in a shift from subsistence agriculture to commercial agriculture and accorded status of industry to agriculture”. The main focus of this policy has been outlined as follows:

- Industry Status to Agriculture,
- Shift from subsistence farming to commercial operation,
- For land use, diversification of cropping programme from uneconomic paddy to remunerative non-paddy crops is advocated,
- Increasing the Seed Replacement Rate (SRR.) to 30% in a period of 5 years by producing more foundation and certified seeds through seed village programme,
- Increased use of bio-fertilizers,
- Rapid farm mechanization,
- Self-sufficiency in food grains, vegetables, fruits, flowers, egg, milk, fish and meat production,
- Expansion of irrigation to 50% of cultivated areas by exploiting ground water potential through bore wells, shallow tube wells and direct lift from rivers,
• Amelioration of problematic soils,
• Entrepreneurship in agriculture and export orientation.

The thrust areas have been outlined as under:

• Dry land agriculture on watershed basis,
• Production of commercial crops- cotton, sugarcane and potato,
• Agriculture intensification with water management in irrigation command,
• Quality seed production through seed village approach,
• Small farm mechanization and agro service centre,
• Creation of farmers market (Kisan Mandi),
• Information technology in agriculture,
• Infrastructure development (Agro- processing, cold storage, seed processing etc).

True to this policy, the state has made giant strides in commercialization of agricultural lands, and weaning agricultural lands away from subsistence cropping to cash cropping. A striking example is Cotton. In just the last three years the area under cotton has gone up from 8205 hectares to 10194 hectares in Rayagada, from 5675 hectares to 24010 hectares in Kalahandi and from 3306 to 16060 hectares in Bolangir. In other districts, agricultural land has been converted to commercial eucalyptus plantations, like the JK Crops Rayagada, Koraput and Nabrangpur, commercial mint and tea cultivation in Keonjhar and ginger introduced extensively in Koraput. The State has also set up an exclusive organization, the Agricultural Promotion and Investment Corporation of Orissa Limited (APICOL), with the objective of translating the above objectives into reality through undertaking various promotional roles such as providing counseling and escort services, disseminating information amongst entrepreneurs and above all act as a single window channelising agencies for various incentives under agriculture policy. Capital investment, subsidy to commercial agri- enterprises@20% of the capital cost subject to a limit of Rs 20 lakhs is one amongst incentives under this Policy.
In all this, the state seems to have overlooked some of the essential components that should perhaps influence agricultural policy, things like food security, livelihood production and sustainability. The fact of reaching near self-sufficiency in paddy production has motivated the state to turn away from food crops and promote commercial agriculture. Within a short span of introduction of this policy, however, we find distress and poverty has gone up manifold in different districts in last few years. In Bolangir and Kalahandi, where more than 25 thousand hectares have been brought under cotton cultivation, unemployment and loss of livelihood is so rampant that people have left their homes in lakhs looking for work elsewhere. In other districts where commercial cropping has been introduced, food stress has gone up manifold. Studies and past experience indicates that commercial cropping does little for enhancing the livelihood of the local communities. Very often, commercial cropping requires much larger investments, and a scale of operation that very few people in underdeveloped regions can afford. It also involves mechanization on a large scale, depriving the small marginal farmer and the landless labourer of supplementary employment as wage labourers. The subsidies that organization like Agricultural Promotion and Investment Corporation of Orissa Limited (APICOL), give would benefit the better off, who could once again use it to deny the poorer sections what little benefits they had out of agricultural labour. Such processes have been initiated in almost all places within the State, in a small or big scale with the introduction of high yielding varieties of seeds, subsidies for mechanization and have caused the alienation of poorer sections and minority groups like the tribals more and more. All this would result in decrease in self-employment and increased causalisation. This is corroborated by macro-level studies, which indicates an overall decline in employment in agro-industries, accompanied by a considerable increase in capital investment. Clearly there has been a substitution of capital for labour, which has led to a crisis of enormous proportions, with expotential and unprecedented growth in adivasi participation in the migrant labour market.

Due to the incursion of the global capital the anti-tribal and anti-poor policies of the State of Orissa have found prominence. There are stated and unstated reasons for exploiting natural resources in tribal areas. The process of industrialization adds to the economic
growth of the nation. So the officially stated reason is that it promotes regional
development in backward areas. Coincidentally, the tribal regions happen to be very rich
in natural resources. This becomes an important factor for establishment of the large scale
industries. But it does not mean that the natural resources are always available in tribal
areas only (Panigrahi and Mishra 1987). Natural resources are also available near urban
and accessible areas, but it becomes difficult for the exploitation of the resources and
execution of the plans due to strong resistance and heavy cost of compensation. Whereas
among the tribal areas, least resistance is possible from the tribals who have the least
access to legal aspects to demand their rights. Moreover, the forest dwellers i.e., the
tribals are the only people who do not have property rights in India. In relation to land
there are two types of citizens in India viz i) those who are governed by the tenancy laws
and ii) those who are governed by the forest laws (Singh Chatrapati, 1990). Most of the
tribals come in the second category, which does not allow them to demand for their
source of livelihood. These factors make easier for exploiting the natural resources,
which are taken to be the unstated reasons for the establishment of the large scale
industries. This is the case in Orissa.

Policies Relating to Forest:

Traditionally the poor masses were dependent on forest for their survival. But today
the forest is not meant for them. The forest resources are now monopolized by
middlemen and elites. The agents of the government are selling the costly timber from
the forest and getting more money, whereas they are not allowing the poor people to enter
into the forest and collect the Minor Forest Produces (MFP) for their own survival. The

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11 N. Panigrahi and A. Mishra (1987), "In search of Living Man and Mining", The Society for Participatory Research in Asia, New Delhi.

12 Chatarapati, Singh (1990), "Rehabilitation and the Right to Property" Legal Perspectives, 20th January.

13 The large tribal population has been traditionally held up as a demographic factor disadvantages to the states potential for growth. SC’s and ST’s presently account for around 37.1% of the states population compared to the national average of 23.6%. (The Economic Times, July 6, 1993)

tribal communities have been dispossessed and alienate and rendered slaves in their own homeland. Ecological degradation has gone hand in hand with the increasing impoverisation of the local communities. However the State has turned the proverbial blind eye to the real facts and has decided that the only development course left is to invite the private enterprises on a scale larger than ever before. Forests are being destroyed since leases have been given by the State government to certain private companies for coffee plantation. This type of afforestation programme has devastating effects even though no sign of desertification. Government intervention even restricted the Dangar cultivation (Podu) which has led to shrinking of income and livelihood of poor, landless people. As a result the tribals are alienated from the forest, dangar cultivation and age old traditional sources of income. Government Policy has disrupted the indigenous source of livelihood. Their agents are selling the forest wood illegally and earning lakhs of rupees, whereas the poor tribals are reduced to penury. Now the situation has come to such a pass where there is an open exploitation in the name of development. The concept of development is now characterized by consumeristic life style, dyeing traditional values and lifestyles. Nobody thinks of development in its real sense. Though ours is a welfare state, the notion has been diluted by the corrupt politicians, bureaucrats and officers. The government’s distorted policies are responsible for the underdevelopment. It can be clear from the following examples:

The Forest Policy Regulation (1952) of the government of Orissa drastically cuts down the rights of the tribals in the forests. The Policy regulation overlooked the very existence of those groups of people who have been living for centuries in the forest. The tribals are so intimately associated with forest that their fairs and festivals, social and economic life revolves around it. The Indian Forest Bill 1980 emphasizes the protection of forest but on the contrary in Orissa the State alienates the tribals from forests which is their only source of livelihood. The collection of Minor Forest Produce (MFP) is a major economic activity adopted by the tribals. In Orissa 22.2% of tribal population depend on forest products. Of the 1.4 million tribal households in the state, a million live in and around the forest.15.

The Forest Conservation Act, 1980 imposes severe strictures on the conversion of forestland to non-forest uses. It prohibits the state government from declaring any portion thereof as non-reserved without the approval of the central government. It also stated that raw- materials for forest-based industries would be provided only after meeting the needs of the local people. However, looking at the present set up in the state of Orissa the concern for the environment has been expressed to the crucial exclusion of, or in opposition to the tribals. The Orissa Assembly has passed a Bill to amend the Forest Act which empowers any forest officer so designated by the state government to take punitive action against any person found to unauthorizedly occupying or cultivating any reserve forest land, or cutting or loping in any forest land. This a year after the Navin Pattnaik Government passed the NTFP policy which promised to settle all those tribals in possession of reserve forest before the cut-off date date of 1980. In one stroke the PESA\textsuperscript{16} (Panchayat Extension to the Scheduled Areas) Act which empowers the tribal communities to decide over their own traditional resources has been rendered null and void.

The Forest Policy of 1988 replaced the 1952 Policy. This new Policy gives priority to environmental stability over earning revenues and clearly states that the process of degradation of forests cannot be checked unless active participation of the local community in forest management is ensured. The direction in forest legislation is therefore towards the joint management of forests with local community participation. The forests are to be managed by the village community with a view to securing collective benefit to the community by sustained biomass production. The villages shall receive the usufructs and other rights and concessions in accordance with management plan prepared by the local body. A major limitation of the Bill, however, is that it stipulates that village forests cannot be constituted from reserved forests, thus leaving out the major portion of forests from the ambit of its progressive legislation. Even less

\textsuperscript{16} The Constitution of India, through its 73\textsuperscript{rd} Amendment, paved the way for a separate and progressive legal and administrative regime for tribal areas to usher in genuine tribal self-rule. The final framework was laid down by the Bhuria Committee Report, which was legalized through the provision of the Panchayats Extension to the Scheduled Areas Act, 1996 (PESA).
satisfactory than the movement of policy towards a people-oriented, is the reality at the ground level which remains almost completely unchanged. The forest guards run their own private version of a 'License-Quota-Permit Raj' which while institutionalizing corruption, only accelerates the destruction of the forest by all parties. Little work has been done in concrete terms at the grass-roots to move towards a genuinely people's programme for forest conservation. The basic principle that the needs of the people must be looked after if they are to have an incentive to look after the forest is yet to be fully endorsed at policy level and has been given even less operational content in the field.

There is an alarming decrease in the forest cover due to the commercial exploitation. Over the last five years, the districts of Orissa namely Koraput and Nuapada together have lost more than 150 sq.kms, out of a total geographic area of 47,646 sq.kms. According to the state forest report 1991, published by the Government of Orissa, the actual forest cover with more than 10% forest density is only 11,148 sq.kms. 17. The private enterprises have inundated hundreds of thousand of hectares of forest and agricultural land, and destroyed sustainable livelihoods. The industries apart from grabbing thousands of hectares of land have destroyed further areas in their insatiable hunt for natural resources. At this point of time, the New Economic Policy (NEP), with its non-human indicators of growth and development is attempting to accelerate this destructive path of development which would sooner, rather than later destroy tribal communities for all times to come.

**Policies Relating to Land:**

In Orissa land resource is crucial to the measurement of poverty in the sense that out of every hundred people living in the rural areas seventy-five percent derive their livelihood from lands. Rural population accounts for 85.03% of the total in Orissa justifying the fact that the state lives in its villages. Of these more than 90% depends on agriculture, either as cultivators or agricultural labourers, for their livelihood. Stated more meaningfully,

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according to the information of the Panchayati Raj Department of the Government of Orissa, "More than 2/3rd of the State's workforce is employed in agriculture, livestock, forest, fishery and allied activities. Most people are subsistence farmer and living on marginal land". But the traditional rights of the people who are dependent on these resources for their living are not recognized simply because they are not formally recorded (Sharma, 1990). A group of families from one clan shares the same plot having one document of ownership in one of the ancestor's name. There are more than one claimants of this land. But when the matter of compensation comes, the single ownership holder only gets the compensation.

The central government on its part has taken up the issue of Panchayat Extension to Scheduled Areas Act (PESA) and issued detailed instructions on procedures to be followed for consultation with gram sabhas prior to land acquisition for development projects. But the Government of Orissa has diluted the PESA Act. Today, the tribal communities have little support in the PESA Act. But the State government is loathe to give them even this little space. In their ratification of the PESA the State government has vested general powers of inspection, supervision and control over the exercise of powers, discharge of duties and performance of functions by the gram panchayat with the Collector, thus usurping the autonomy of tribal communities. By these actions, the State holds the control over the gram panchayats directly, and the gram sasana indirectly. While the Central Act stipulates that the gram sabha shall be competent to safeguard and preserve the traditions and customs of the people, their cultural identity, etc., in the State Act the clause 'consistent with relevant laws' has been added. Thus in the case of dispute resolutions, it is not the tribal customs but the IPC and CRPC that will prevail. But

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19 A letter from Dr. B.D. Sharma commissioner for Scheduled Castes and Scheduled Tribes addressed to the President of India, presenting 29th report of the commissioner for the period 1989-1990.

20 The Constitution of India, through its 73rd Amendment, paved the way for a separate and progressive legal and administrative regime for tribal areas to usher in genuine tribal self-rule. The final framework was laid down by the Bhuria Committee Report, which was legalized through the provision of the Panchayats Extension to the Scheduled Areas Act, 1996 (PESA).

21 Ibid
perhaps, the most crucial departure in the State Act is the vesting of powers to decide overt grant of lease to minor minerals and acquisition of land to the Zilla Parishads rather than to the Gram Sabhas, and empowering the Panchayat Samitis to prepare local plans including the tribal sub-plans and the control of resources for such plans. Thus the very concept of local self-governance has been turned on its head, as the 2nd and 3rd tiers have been vested with most of the crucial controls and powers.

The Government of Orissa has come up with an Industrial Policy Resolution that 'would hasten clearances and eliminate factors causing delays' so as to make Orissa one of the most preferred destinations for industrial investment. Amongst other things, the policy proposes the introduction of a 'Land Bank' scheme, where tracts of government land will be identified in potential locations throughout the state and earmarked for industries. The Land Acquisition Act 1894 has been amended by the state in 1985 to permit it to acquire people's land. The land that the tribal people are cultivating is classified mostly as uncultivable wastes and no record of rights has been given to them on these lands even if they have been in possession of the land for the last hundred years. The state is leasing out these lands over which the tribals have no rights, other than to cultivate forever as 'encroacher' to private mining corporations, paper mill owners and other interested parties. Even the right to encroach is snatched away from the tribal cultivator and he can be displaced under the shadow of high sounding policies for resettlement and rehabilitation which are conspicuous by their non-implementation.

The majestic plateaus in the region of Koraput and Nuapada carry almost a third of the total bauxite deposits in the country. These misty mountain tops that gives rise to nearly a thousand perennial streams and engender the unique eco-clime of the region are now being eyed by several private and multinational corporations for the mineral that gives rise to the shining, versatile, magical aluminum that has the widest range of uses from the blackened cooking pot that sits over the household stove to high conductivity wires carrying precious electricity to sleek, glistening light weight bodies for aircrafts and automobiles to bombs that can sow destruction. The State has given the red signal to companies like the Larsen & Tubro, the Utkal Alumunia Int ltd (UAIL) a consortium of
Alcan (35%), Indal now bought by Birla (20%) and Norsk Hydro of Norway and the Balco. The Mining of Bauxite while yielding a royalty of about Rs 12 crores a year on an average, would necessitate 1200 hectares of land from 2243 families in 24 villages, siltation of agricultural land and waterways, drying up of perennial streams, effluent discharge leading to toxic contamination of ground water and surface water sources.

The above have led to a crisis of enormous proportions, with exponential and unprecedented growth in adivasi participation in the migrant labour market. Jobless growth and regional imbalances have collectively spurred migration. The migrant labourers constitute Orissa’s biggest labour industry. The phenomenon of adivasi migrant labour is positioned to grow rapidly over the next decade unless a series of corrective preventive measures are undertaken. Only when such measures are conceptualized at either end of the phenomena of migrant labour, the creation of such a “disaggregated” labour force that is fragmented, disempowered and highly marginalized can be minimized.