

INDIA: PUBLIC FORESTS AND PUBLIC FOREST AGENCIES IN TRANSITION

India has witnessed rapid and sustained economic growth for the last fifteen years. Yet, the world's largest numbers of poor people in a single country reside in India. Poverty in India is characterized by its geographic concentration, ethnic orientation and resource relationship. It is more rural than urban, mostly in Eastern and Central states amongst tribal and scheduled castes people, and more in forest areas than agricultural or industrial areas. Although India has an impressive record in maintaining and increasing its forest cover in the last 15 years, its forest productivity is one of the lowest in the world. There is booming demand for forest products but little benefit accrues to forest communities. It has the best known co-forest management program in the world but no real transfer of rights to use and trade in forest land and products. This is because inherited laws from the colonial past, archaic institutions and a regressive regulatory framework prevent millions of forest dependent people from using their forest resources and from becoming integrated into the booming economy. In this paper, we first look at the basic dimensions of the growth in the Indian economy, the extent of poverty, forest trade, and the condition of forest resources. In the second section we assess the major policy response to forest poverty – the Joint Forest Management program – and its limitations and challenges. In the next section we look at the legal, institutional and market impediments that prevent realization of the full potential of forests in the poverty alleviation of forest communities. The paper concludes by outlining the challenges faced by India' forest sector.

BASIC DIMENSIONS:

India has more than doubled the size of its economy in the last eight years. Registering an annual GDP growth of approximately eight percent per annum, India is now one of the fastest growing economies in the world, as would be evident from the GDP growth (World Bank 2005) shown in Table 1:

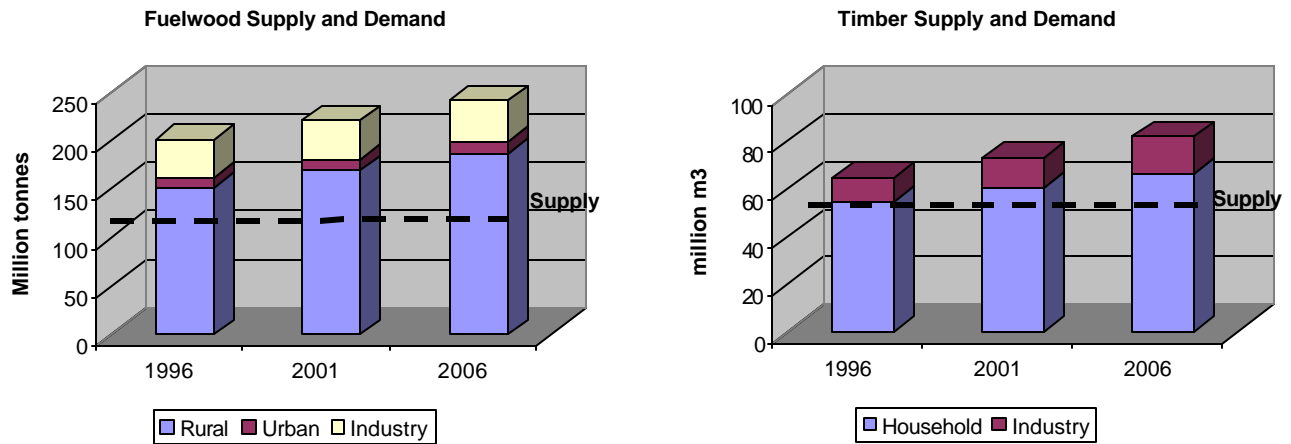
Table 1: India GDP (US \$ Billion)

1984	1994	2003	2004
206.5	322.6	600.7	688.7

Despite this impressive growth, poverty persists and has not been reduced by comparable proportions. There is a huge debate about the exact dimensions of poverty, but it is now recognized by most policy makers that at least 25% of the population lives below poverty line. These more than 250 million poor people live in the east and north-east states, central tribal belt and eastern and western fringes of southern peninsula of India – precisely the area that has the highest concentration of forests and tribal people. Of the approximately 88 million tribal people, 94% reside in and around forests.

Indian forest estate covers more than 64 million hectares and is largely administered by the government. While India is the only country in South Asia with a positive increase in forest cover from 1990 to 2000 (38,000 ha), its forest productivity at 0.7 m³ per ha/year is significantly below the global average of 2.1 m³ per ha/year. The same is true about the average stocking level, which is 74 m³ per ha, compared with 113 m³ per ha in other developing countries (MOEF 2004). Clearly the government dominated management of forest resources does not translate into good, well stocked, high productivity forests. Since productivity has not increased, the supply of forest products has remained flat. But demand is increasing as shown in figure 1 (Source: World Bank, 2005, India: Unlocking Opportunities for Forest Dependent People).

Figure 1. Supply/demand projections for fuelwood and timber- India 1996-2006



The gap is not only being fulfilled partially through illegal removals from forests, but also through imports. Imports of industrial wood volumes have grown threefold during the last ten years, comprising mainly of non-coniferous logs from tropical timber producers. Exports from these countries to India have grown at 20% annually over the last five-year period, reaching a volume of well over 2 million m³. (ITTO, 2004, PPR 68/04 (M), Maharaj K. Muthoo). Table 2 shows the growth pattern of wood imports in India:

Table 2: Timber import trends ('000 m³)

Year	Logs	Sawnwood	Plywood	Veneer
1991-92	853.36	9.14	3.61	0.80
1996-97	868.80	9.65	23.63	5.11
1997-98	1,362.27	6.57	24.53	10.19
2001-02	2,605.21	73.76	44.81	4.00

Source: ITTO 2004, PPR 68/04 (M), Maharaj K. Muthoo

The rapid increase in timber imports, however, is not sufficient to meet the projected supply deficit of 39 million m³ for the year 2006. The same situation exists for fuelwood. Some authors (Saigal et al, 2002) suggest fuelwood over-cutting of 131 million m³. Despite this shortage, the estimated 4 million head-loaders, mostly tribal women, are hardly able to earn even subsistence livelihoods since their operations in the fuelwood market are considered illegal. In addition, they have to face several human indignities.

Clearly, the booming economy and rapidly rising demand for forest products has neither helped in increasing forest productivity nor resulted in the substantial reduction of poverty, especially of tribal people and forest dependent communities. Most government documents point to Joint Forest Management (explained later in this paper) as the Indian government's major response to meet the challenge of pervasive poverty in the forest areas.

JOINT FOREST MANAGEMENT:

Joint Forest Management came into being as a result of a new National Forest Policy adopted in 1988. The 1988 policy marked a major departure from the past policies and almost reversed the objectives of the forest management in India. The following table shows the three phases of forest policy in India.

Table 3: Three phases of forest policy in independent India

Period	Main Focus
1947-1976	Forests for timber and industry, neglect of village commons
1976-1988	Intensification of commercial forestry; meet industrial demand from natural forests (by logging and conversion) and shift subsistence demands from natural forests to social and farm forestry on non-forest and private lands
1988 onwards	Joint Forest Management, and a radical shift from the earlier revenue orientation, conservation is a priority

The 1988 forest policy reversed the perverse prescriptions emanating from the 1976 report of National Commission on Agriculture and was explicit that forests are not to be exploited for commercial purposes, but are to be conserved for soil and the environment and meet the subsistence requirements of people. Recognizing the relationship between tribal people and other forest dependent communities, the 1988 policy made the pronouncement that “*the life of tribals and other poor living within and near forests revolves around forests. The rights and concessions enjoyed by them should be fully protected. Their domestic requirements of fuelwood, fodder, minor forest produce and construction timber should be the first charge on forest products.*” Joint Forest Management is often cited as the implementing mechanism for these policy prescriptions. It is now a principal element of forest management strategies in the country, with a primary focus on protection and conservation goals. Community livelihoods are partially met through a joint micro-planning exercise. In return for providing protection, communities receive more secure access to non-timber forest products (NTFPs) and a share of commercial timber revenues. The state retains most of the control over forest management, regulation, monitoring, timber harvesting, and forest product marketing. Some states initiated this approach immediately; others took much longer. Since 1988, JFM has continued to evolve. Programs currently span 27 states, represent 85,000 village committees, and cover over 17.3 million hectares of forest land (World Bank, 2005, India: Unlocking Opportunities for Forest Dependent People).

Joint Forest Management in its current form is an extremely weak tenurial arrangement, where most powers (approval of micro-plan, share of benefits, and dissolution of JFM committees) are vested with the forest department. In a few cases, it is creating a new set of beneficiaries in place of traditional tribal right-holders and is sometimes accused of evicting poor people by designating them as “encroachers.” Since the settlement of rights remains unresolved, JFM remains controversial – at times like an extension of the coercive powers of forest departments and at other times an instrument of friction within the village people. For example, in Orissa state of India, more than 50 percent of the forest area under the control of the Revenue Department has never been properly surveyed and even some of the Reserve Forest (a legal category of forests where no rights exist) area under the Forest Department has been deemed to be RF without any survey or settlement. Similarly the shifting cultivation areas have never been properly recorded, affecting approximately 150,000 tribal families. There has been no survey of land above the 10-degree slope that has been declared as government land, ignoring the fact that some of the tribes traditionally lived on higher hills (Khare, 2002). The combined result in Orissa has been:

- A number of people, especially tribal, continue to cultivate and live on lands without any valid title.
- Even the rights on ancestral lands in the declared forest area and on hill slopes above 10 degrees are not recognized
- Since there is no demarcation of boundaries, even the settled agriculturists are declared as encroachers

In the absence of recognized rights over land, people are displaced without any compensation. for example, a cashew plantation was raised on 120,000 hectares of tribal cultivated land by the Soil Conservation Department who was thereafter leasing plantations to private parties.

- In the absence of land titles, the cultivators get no credit from banks or support for their agriculture operations

JFM would have been far more successful in right unburdened areas or where rights had been properly settled. However, the incongruity between JFM and the existing legal framework, the conflicting role of the state in forest commerce, oppressive regulatory framework and distorted markets restrict its potential and usefulness to poor people for whom forests are the only major asset that they possess.

LEGAL, INSTITUTIONAL AND MARKET IMPEDIMENTS:

The legal framework governing forest management in India is mainly derived from a forest act enacted by the then colonial government in 1898. Despite the constitutional guarantees of property rights and special privileges enjoyed by tribal people, subsequent legislations, circulars and constitutional amendments have further complicated the already muddled situation instead of aligning old laws to the new policy objectives and constitution. Three main legislations (Indian Forest Act, 1927; Forest Conservation Act, 1980; and Wildlife Protection Act, 1972) that govern the forest sector are, in part, contradictory to the policy of 1988 and violate the basic guarantees given to the tribal people in the constitution. The combined effect of these and numerous state legislations has been: the institutionalization of forest departments having virtually full control of forest land and products; legitimization of the policing and fencing of wildlife areas and excluding people from them; and centralization of planning and management. The extent of centralization can be gauged by the fact that the Working Plan of every circle must be approved by the central government, in absence of which no harvesting is permitted. In turn, every micro-plan of JFM communities must conform to the Working Plan of that area.

Due to the legal authority vested in them, state forest departments play the role of planners and managers of forest resources, enforcers of law, regulators of markets, harvesters of timber, procurers of non-timber forest products, marketers of all forest products, and manufacturers of finished products. They are both the regulators and competitors in certain markets. In addition, forest departments also promote JFM, ensuring that JFM community institutions respect equity and

transparency and benefits are not captured by the village elite. By any standards, it is a tall order and therefore non-functional. And diminishing production and revenue from the forests have brought most state forest departments – saddled with large unproductive staff – to near bankruptcy.

Communities' access to an open and efficient market is crucial for them to realize a fair price for their produce. Yet a number of impediments currently restrict more open marketing. These include highly bureaucratic transit permits for many species, a legal requirement to sell certain species only to state marketing monopolies, and a lack of information on market options and prices. A further issue related to marketing is how revenues are shared. The current benefit-sharing scheme in JFM that is used in all states is that state governments return a portion of commercial revenues to communities for rural development and forest conservation. However, it may not be the most efficient approach, especially if communities are able to increasingly engage in more direct marketing of most forest products (World Bank, 2005, India: Unlocking Opportunities for Forest Dependent People).

It is clear that forest departments have to redefine their role to meet the challenges of a modern resurgent India, which is vastly different from its colonial past and where the people of the country are sovereign and expect service from their civil services, not policing, nor oppression, nor an impediment to their economic emancipation.

CHALLENGES:

It is quite clear that the Indian forest sector is at a juncture in its history where the decisions it makes will determine whether the forest communities – and amongst them some 80 million tribal people – are able to find their rightful place, or whether they will have to engage in a violent struggle to seek those rights (as is happening in many forest areas). In particular the following challenges have to be met in the next few years:

- Restore historic rights of tribal and long-settled communities on forest lands;
- Clarify resource rights of forest communities;
- Remove the incongruities between forest legal framework and human and constitutional rights;
- Reform the regulations relating to harvesting and transit permit regimes on forest products and regulations relating to the state monopoly on marketing of high value forest products; and
- Create conditions for the full realization of the market potential of community forest products in the rapidly growing Indian economy.