

# Expansion of Indian Economy and the Arising Problem of Natural Resource Sustainability: A Critical Review

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**Abstract:** *The introduction of open-door policy enforcing withdrawal of tariff protection and subsidy on essential commodities, expanding the ambit of Multi-National Companies (MNCs), higher transactions by foreign banks as well as foreign direct investment (FDI) have made possible the steep rise of Gross National Product (GDP) on the one hand and a favorable balance of payment on the other. But on the contrary, industrial sickness is becoming more acute and inflation of food items is reaching its maximum. The labour class in particular and the low-income group in general are the worst sufferers. Urban-industrial expansion, river valley planning, an extension of the mining area, and infrastructural development have led to the conversion of land use, thus paving the way for the displacement of the teeming millions and consequent socio-economic inequality. Squeezing areas under forest and water bodies, threatened biodiversity, degradation of land due to miss-utilization and extractive activities, contamination of air and water, along human interference in the various ecosystems for short-term benefit in the name of economic development have aggravated the situation. Therefore, an economic audit needs to be executed in conformity with the environmental audit. The study of development's socioeconomic influence on different segments of society appears to be critical in determining its trickledown and spread effects. This paper aims to highlight the trend of Indian Economic growth and its effect on Natural resource sustainability.*

**Keywords:** *Rising Economy, Unequal Development, Squeezing Natural Resources, Sustainable Development*

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**Introduction:** Since the last century, society has gone through numerous stages of economic expansion, some of which were quick and others sluggish. Colonial economy at the behest of West European countries was interested in siphoning natural resources from the Afro-Asian and Latin American countries, be it minerals sources of energy or forest products. They introduced plantation farming of indigo, tea, and coffee in their colonies, and that too at the cost of forest resources in many instances. Colonial rulers also initiated the process of detribalization launching attacks on their forest and water-centric economy and converting them into labor force of the colonies and tea gardens on one hand and enforcing a change of their lifestyle and material culture on the other. They also utilized raw cotton for textile industries and timbers from the so-called Protected Areas (PAs) which were used for railway slippers and other building materials.

**Colonialism and Neo-colonialism:** Though the German challenge was unsuccessful at the end of World War I, it inflicted an injury to the British colonial economy, which was further shaken by national liberation movements gaining momentum in the meantime in several countries. Consequently, the colonial rulers were steadily losing grip over the global economy, and the second global economic crisis was knocking at the door. Losing control

over the colonies was reflected in the supply line of raw materials for the industries, which gradually became weaker.

Great economic depression was looming large on the urban-industrial economy of the developed countries. The famous economist Keynes (1936) suggested ways and means to overcome this depression in the decade of 30s of the last century. His prescription for higher allocation on social infrastructure was suggested to provide rich dividends in creating healthy human resource who in turn would contribute to national exchequer in future. However, so many young men sacrificed their lives participating in World War II and many others were severely injured. Under compulsion of the situation during the phase of post economic reconstruction in Euro-American countries, women replaced them as labour thus enhancing women's work participation rate. Post-war baby boom raised the demand for consumer goods and the economic crisis was temporarily resolved. Great Britain lost almost all her colonies and negotiated with them forming an economic block known as Common Wealth of which India is also a member. The U.S.A emerged as the strongest country. This was the phase of replacing the old format of colonialism with neo-colonialism. Military blocks like the North Atlantic Treaty Organization (NATO) and the Economic Bloc of developed countries like G-8 were formed to have total control over the global market. The booming industrial economy was responsible for rapid economic growth on one hand and growing inequality between the rich and the poor in general as well as between the developed and developing countries in particular on the other (Sen, 1973). All natural resources like fresh water, minerals especially petroleum, and forest resources were being exploited without any concern for environmental conservation. Air, water and noise pollution reached its maxima while disposal of non-degradable waste posed as a serious problem. Simon Kuznetsk (1966) put forward the concept of the inverted English word 'U' to explain the relationship between economic growth and inequality. In the first phase of economic growth, according to him, inequality widens while at the climax of such development inequality also reaches its peak. Ultimately when economic growth is sustained, inequality will gradually be minimized. This is known as the famous Kuznetsk Curve (Gillis, 1996).

It is the firm conviction of so many scientists now that the emission of greenhouse gases is mainly responsible for the recent global warming which is anthropogenic. Because of the over-exploitation of metals and fossil fuels, vast stretches of land have been degraded either on the surface or under the ground and such a loss is beyond the scope of reclamation. Often, the aquifer level is also adversely affected. Oil spill often affects marine life. Long term ecological services rendered by forests and fresh water bodies

and running water are sacrificed in the name of short term economic achievements. Such irresponsible attitude of development can never be sustainable not only because of pollution but for giving indulgence to socio-economic disparity. There is always a shadow zone beside an area of booming economy. Negro ghetto of New York City, the biggest Asian slum of Dharavi in Mumbai and numerous slums (*basti*) as well as other squatter settlements (*jhopri*) within Kolkata Municipal Corporation Area well exemplify such a hypothesis. It seems not to be out of context to ventilate the views of Coates, Johnston and Knox (1977) that there are three types of spatial inequality: international, intra-national and intra-urban. Even after recognizing the crisis of resources, it can be stated that many of these resources are not very rare; rather the main problem of the grassroots people is access to resources and not dearth of resources (Myrdal, 1970). The notorious famine of 1943 in undivided Bengal was not due to failure of food production; rather the crisis was created by the British rulers by procuring huge quantity of food grains from the market for the military forces engaged in World War II (Sen, 1981). In the name of forest protection tribal people were denied their hereditary right to gather forest products, but the forest department itself slashed the trees and utilized the timber as durable building material.

**New Economic Policy and its Fall Out:** In this context, it is necessary to assess the role of the green revolution of the 1960s through introduction of high-yielding varieties which assured food security for the teeming millions of India at the cost of diversity of indigenous crops especially paddy. India's entry to World Trade Organization (WTO) in 1994 is another landmark in the economic history of the country. There are three pillars of global economy now after the fall of socialist economy in East Europe and disintegration of U.S.S.R: liberalization, privatization and globalization. Tariff protection to Indian products has been ceased along with withdrawal of subsidy on fertilizer, fossil fuel and various other products. Subsidized transport cost of coal and steel under 'freight equalization policy' of the fifties was also withdrawn. In fact, *Mahalanabish* model of national planning was replaced by *Manmohanomics* at this juncture which propagated the idea of privatization of even the profit making Public Sector Units (PSUs). Nobody knows what would be the fate of famous *Navratna* group of PSUs which contribute substantially to the Gross Domestic Product (GDP) of the country. It is essential to remember that initial GDP growth of 8.5 percent after implementation of the New Economic Policy has slumped down to less than five percent in 1913-14 financial year. In a world of uneven competition with Multinational Companies (MNCs) numerous Indian companies are getting sick and being referred to the Board for Industrial and Financial Reconstruction (BIFR) on one hand and many other units have

merged with MNCs viz. ice cream companies, Kwality is now Kwality-Walls, soft drink producer Coke is now Coca-Cola-Coke. Foreign Direct Investment (FDI) in the Defence sector has already been allowed up to 49 percent and there is always apprehension about its introduction to the retail sector. Local shop owners and numerous hawkers in the unorganized sector would suffer from such a situation. The contribution of manufacturing sector to GDP is coming down gradually and the same of the tertiary sector is rising sharply. Only one area of the economy is flourishing now and that is real estate business. Obviously gap between the rich and the poor is widening.

**Experience of mining activities-** Mining activities are carried out in two different types of operation: open pit mining and underground mining. Many of these mining areas either for coal or for iron ore have come into being at the cost of big chunks of forest. Asansol coal mining area has replaced *jangalmahal*. Kudremukh iron ore project of South India has endangered nearby Reserve Forest. There are so many instances of destruction of greeneries and water bodies by mining activities. Open pit mining is causing irreparable loss of the land surface and the biotic resources on it. Underground mining is responsible for land subsidence as well as loss of ground water potential. Tribal people dependent on forest oriented economy and the marginal farmers are the worst sufferers of such a conversion of land use. They face the music of displacement along with occupational shift leading to socio-economic inequality and imminent social conflict. Terrorist game plan finds fertile space in such mining belt girdled by forests having substantial percentage of tribal population. Their grievances are ventilated through insurgency.

**Lacunae in the forest policy having colonial legacy:** It has already been stated that colonial rulers' protectionist policy in fact led to the deprivation of the tribal people from 'property of the commons' which led to tribal upsurge. Titumeer built a fort of bamboos to lead the rebellion against colonial control on the forest resources. Names of Sidhu and Kanhu, the two other leaders are equally famous for the same reason. In reality these tribal groups were never interested in timber barring some dead *Sal* trees for construction of hutments. Their interest was more focussed on non-timber forest products like honey, selected flowers and leaves, medicinal plants and twigs for use as fuel wood (NAS, 1991). This was nothing but sustainable use of the forest. On the contrary, colonial forest policy (1894 and 1927) allowed slashing of hard wood trees for infrastructural development and various other purposes of construction. This was a case of built-in-anomaly in the policy itself. History repeated itself even after independence, because the forest policy adopted in 1952 and revised in 1988 suffered from same contradiction because of its colonial legacy of exclusion of tribal interest

(Gadgill and Guha, 1992). Introduction of exotic varieties of *Eucalyptus-Akashmani* combination also was disliked by the grass-root people. This exotic combination has no undergrowth and hence not suitable for grazing. These are used mainly as industrial raw materials thus generating negligible value for the tribal people. Experience of *Chipko* movement is a lesson for the persons having interest in natural resource conservation. While Forest Department of the Government denied opportunity of gathering even non-timber forest products to the local people, the same forest department allowed a sport goods manufacturing company to slash trees for their valuable timber. This is nothing but a policy crisis. Bishnoi community of Rajasthan maintains 'sacred groves' for preservation of biodiversity and they do not allow hunting and slashing of trees. They also make judicious use of water and show keen interest in preservation of water bodies. It is evident that tribal as well as non-tribal rural people are quite aware of natural resource conservation despite policy crisis of natural resource conservation in the country.

**Biodiversity-- aquatic and agricultural:** Because of fine nylon netting in commercial scale even the non-target aquatic species are being destroyed. Higher salinity in the estuarine areas due to feeble discharge of fresh water after construction of Farakka barrage has led to change in fish combination. *Hilsa* fishes are entering into Padma of Bangladesh and Irrawaddy of Myanmar in preference to River Hugli. Drastic reduction of water bodies and wetlands has been reflected not only in loss of several varieties of fishes, amphibians and reptiles but it has affected diversity and number of local water loving birds along with arrival of migratory birds.

Since green revolution of the sixties in last century high yielding varieties of paddy and wheat are being preferred by the farmers over the local varieties. It is essential to keep in mind that parent seeds would be required again for getting next generation seeds of high yielding variety. So many varieties of indigenous paddy like *Sitashal*, *Ravanshal*, *Bibhishonshal*, *Draupadishal*, *Ampaban*, *Matla*, *Panaoli*, *Chitrashali*, *Balarambhog*, *Digha*, *Bauri* and many others are not available now. Indian Council of Agricultural Research (ICAR) and Chinsurah Rice Farm are trying their level best to maintain seed bank of indigenous paddy. Terrestrial and aquatic biodiversity in the hunger belt of the humid tropics is a gift of the nature. It should be maintained at any cost for the interest of the grass root people.

**Biopiracy:** A medicinal plant known as *Sarpagandha* grow in the Western Ghats were extensively used by the local tribal community for controlling blood pressure. Some multinational pharmaceutical companies exploited it to such an extent that it is on the verge

of extinction now. Taking the advantage of Trade Related Intellectual Property Rights (TRIP) some other multinational companies claimed the right of preparing medicines from the species like *neem* and *turmeric*. India had to move to International court on the ground that these species were referred to ancient Indian *ayurveda*. These are mainly grown in humid tropics and thereby bear geographical indicator which is globally recognized.

Attempt was also made to market *Texmati* -- a hybrid variety of scented rice which was a cross-breed of the Texus variety of rice and Punjab variety of *Basmati* rice. Again India won the legal battle in International court to get the patent of *Basmati*.

**Conclusion:** It is now quite evident that the base of natural resources in the developing countries of Asia, Africa, and South America is gradually squeezing. Sustainable development depends on striking a balance between economic development and environmental conservation. It cannot be measured only in terms of economic growth. The rising curve of Gross Domestic Product may provide satisfaction to the national planners; but if so many people are compelled to live below the poverty line and are not involved in the process of regional development through Participatory Management of natural resources, neither Mother Nature nor the human society can get justice. Thus it may be stated that acceptance of basal equality and recognition of the concept of ‘properties of the commons’ are two prerequisites for sustainable development.

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