

GLOBALISATION AND IMPACTS ON UPLAND POOR*

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Table 4

I. INTRODUCTION

Economic globalisation with primacy to market friendly and market driven processes, provisions and practices in different contexts, is spreading to all countries and regions. Though promoted as means to global growth and prosperity, the process also carries risks besides opportunities for the participants. The participants ill equipped and unprepared for the change are likely to encounter more risks and limited gains in the process. The mountain regions like Himalayas and their communities, both due to their specific bio-physical circumstances and historical processes (e.g. permanent under investment and negative side effects of external interventions), affecting them, fall under the above category. Despite potential and development efforts in the recent past, most of these areas have not made progress due to development promoters' general disregard of the imperatives of specific mountain conditions such as fragility, inaccessibility, marginality, diversity etc. while designing and implementing development interventions. This pattern of neglect and negative side effects of external links may further accentuate during the globalisation era, due to the well known tendency of market processes to ignore negative externalities and non-profit concerns, while using and integrating mountain areas in to wider economic systems. Besides, due to the rapid erosion of traditional coping strategies of mountain communities in the face of market driven technological and institutional changes; their inability to effectively participate in the same change process; and the reduced economic role and capacity of the state (following the market friendly economic reforms), to extend welfare and development support to them, the communities are likely to be exposed to greater risks and vulnerabilities. (P.T.V.)

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However, at the same time one need not look at globalisation-led changes in terms of doom and gloom. The process may also generate several positive opportunities through: harnessing of globally demanded unique niche resources and products of mountain areas and facilitating flow of resources and technologies to overcome largely bio-physically - determined constraints to development in mountain areas. Though realization of such gains is very much linked to usable information on the above opportunities, enabling facilities and local capacities to use them.

Hence, the primary step in preparing mountain areas (communities implied) for adaptation and benefiting from globalisation process is to identify, analyse and respond (through policy and action) to the risks and opportunities associated with globalisation. This constitutes the central thrust of the present paper. In particular, it emphasizes the situation of mountain communities bulk of which constitute the upland poor. In this paper first we look at the mountain context of globalisation reflecting on (i) indicative circumstances of mountain areas vis-à-vis the conditions or processes conducive to gains from globalisation and (ii) potential sources of risks or adverse repercussions (as well as broad/indicative opportunities) associated with globalisation in mountain areas. This is followed by (Section II) focused on manifestations of globalisation process at community level in mountain areas and how they affect the sustenance strategies or earning opportunities of mountain communities or upland poor. The Section III is devoted to potential positive opportunities associated with globalisation and approaches to harness the same. The presentation is based on one year exploratory work on the subject of globalisation and fragile mountains by ICIMOD.

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The Mountain Context

The major factor that differentiates mountain (including hill) areas from other regions is the primacy of bio-physical conditions such as high degree of fragility, marginality, limited accessibility, diversity and specific niche resources as well as human adaptations to the above conditions. These conditions not only have intra-mountain variations but they are interlinked in several ways. Furthermore, they jointly (on individually) not only shape the pace and pattern of change in mountain areas but determine the relevance and effectiveness of any development/welfare interventions including those associated with globalisation. Table 1 briefly presents the causes, manifestations, implication and imperatives of mountain specificities.

The table is quite self explanatory to need elaboration. However, a comment on mountain specificities with reference to their role in promoting or obstructing the conditions ensuring gains from globalizations will be helpful. Accordingly, mountain specificities and their imperatives not only determine the mix of risks and opportunities due to globalisation led changes, but strongly affect the capacities of mountain areas (communities) to wisely adapt to them. Table 2, provides an indicative picture of conditions facilitating gains from globalisation along with the mountain specificities that match or mismatch with the above conditions. This table provides a broad framework to understand and address the issues, to help mountain communities/decision makers in evolving strategies and options to benefit from globalisation.

Put differently Table 2 summarises the relevant aspects of the situation indicating the inability of mountain areas to readily satisfy the conditions conducive to enhanced economic performance without which mountain economy can not effectively and equitably participate in the globalisation process. Accordingly, to raise economic performance, the required resource use intensification, higher (economic) input absorption etc. are obstructed by fragility and marginality as well limited accessibility. Inaccessibility also obstructs effective and equitable external links essential for enhanced economic performance through trade and replication of external experiences. Fragility not only obstruct infrastructure construction but adds to the cost of mobility for higher economic performance. Diversity and marginality obstructs advantages of large scale and surplus generation for reinvestment. A major inference from Table 2 is that mountain areas, due to primacy of bio-physical circumstance and limited human-made facilities (or permanent under investment in the past) are unequipped to readily adapt to globalisation led changes and are likely to face greater risks and limited gains at least in the short run.

However, Table 2 also shows that as against the above performance constraining features, mountains also have potential for enhanced economic gains. Accordingly, diversity and specific niche resources offer positive opportunities to gain from the globalised world. However, their harnessing is again obstructed by other constraining mountain specificities such as marginality, inaccessibility etc. Mountain communities have little resources, capacities to harness and equitably trade the niche products.

It should be noted that the above mentioned is a generalized picture with different exceptions, where above constraints are not so strong or where positive opportunities are more readily usable.

Table 1: Mountain specificities and their imperatives

Inaccessibility (Limited accessibility)	
a) Product of:	Slope, altitude, terrain conditions, seasonal hazards, etc. (and lack of prior investment to overcome them)
b) Manifestations and Implications (i.e. circumstances limiting/obstructing flows of goods/services)	Isolation, semi-closedness, poor mobility, high cost of mobility, infrastructural logistics, support systems, and production/exchange activities Limited access to, and dependability of, external support (products, inputs, resources, experiences) Detrimental to harnessing niche and gains from trade Invisibility of problems/potentials to outsiders
c) Imperatives (i.e. appropriate responses, approaches to sustain/enhance flows of goods/services, nature of development interventions)	Local resource centred, diversified production/consumption activities fitting to spatial and temporal opportunities Local resource regeneration, protection, regulated use; recycling Focus on low-weight/volume and high value products for trade Nature and scale of operations as permitted by the degree of mobility and local resource availability Development interventions with a focus on: Decentralisation and local participation : inaccessibility reduction with sensitivity to other mountain conditions (e.g., fragility), and changed development norms and investment yardsticks
Fragility and Marginality	
a) Product of:	Combined operations of slope/altitude, and geologic, edaphic and biotic factors; biophysical constraints create socio-economic marginality
b) Manifestations and Implications (i.e. circumstances limiting/obstructing flows of goods/services)	Resources highly vulnerable to rapid degradation, unsuited to high intensity/costly input uses; low carrying capacity Limited, low productivity, high risk production options; little surplus generation or reinvestment, subsistence orientation, preventing high cost, high productivity options; disregard by 'mainstream' societies High overhead cost of resource use, infrastructural development; under-investment People's low resource capacity preventing use of high cost, high productivity options; disregard by 'mainstream' societies
c) Imperatives (i.e. appropriate responses, approaches to sustain/enhance flows of goods/services), nature of development interventions)	Resource upgrading and usage regulation (e.g., by terracing) Focus on low intensity, high stability land uses Diversification involving a mix of high and low intensity land uses, a mix of production and conservation measures with, low cost Local resource regeneration, recycling, regulated use, dependence on nature's regenerative processes, and collective measures Different norms for investment to take care of high overhead costs Focus on vulnerable areas, and people, and their demarginalisation
Diversity & Niche	
a) Product of:	Interactions between different factors ranging from elevation and altitude to soils and climatic conditions, as well as biological and human adaptations to them, uniqueness of environment, resources and human responses
b) Manifestations and Implications (i.e. potential for activities enhancing flows of good/services)	A basis for spatially and temporally diversified and interlinked activities, strong location specificity of production and consumption activities often limited scope for large scale operation Potential for products, services, activities with comparative advantages
c) Imperatives (i.e. appropriate responses, approaches to harness opportunities enhancing flows of good/services, nature of development interventions)	Small scale, interlinked diversified production/consumption activities differentiated temporally and spatially for fuller use of environment Need diversified and decentralised interventions to match diversity

Source: Table adapted from Jodha (1997), and is based on evidence and inferences from over 60 studies referred by Jodha and Shrestha (1994).

Table 2: The Indicative Factors/Conditions Potentially Ensuring Gains from Globalisation and their Status in Mountain Areas

Mountain features constraining or favouring conditions required for gains from globalisation	Indicative conditions/processes promoted by and conducive to gains from globalisation					
	Relating to production processes			Relating to post production processes etc.		
	High productivity involving resource use intensification, high input availability and absorption capacity	Specialisation and economies of scale	Tradable surplus generation	Infrastructure facilities, access to markets	Equitable effective external links	Human capacities quick response to changes
Limited Accessibility: distance, semi-closedness, high cost of mobility and operational logistics, low dependability of external support, or supplies	(-)	(-)	(-)	(-)	(-)	(-)
Fragility: vulnerability to degradation with intensity of use, limited low productivity/ pay-offs options	(-) ^a	(-)	(-)	(-)	(-)	(-)
Marginality: limited, low pay- off options; resource scarcities and uncertainties, cut off from the 'mainstream', social vulnerability	(-)	(-)	(-)	(-)	(-)	(-)
Diversity: high location specificity, potential for temporally and spatially inter- linked diversified products/activities	(+) ^a	(-)	(+)	(-)	(-)	(-)
Niche: potential for numerous, unique products/activities requiring capacities to harness them	(+)	(+)	(+)	(-)	(-)	(-)
Human adaptation mechanisms: traditional resource management practices-folk agronomy, diversification, recycling, demand rationing, etc.	(-)	(-)		(-)	(-)	(-)

Note: a (-) and (+) respectively indicate "extremely limited" and "relatively higher degree" of convergence between imperatives of mountain features and the conditions associated with potential gains from globalisation. The situation may differ between more accessible (commercialised) and poorly accessible areas.

The Indicative Sources of Risks

Despite obstructions and apparent limits to gains from it (as indicated by Table 2), due to a variety of incentives and compulsions the process of globalisation led changes is taking place in HK-H mountain region. This change, when viewed in the context of (i) driving forces and operational mechanisms of globalisation (i.e. profitability driven selectivity, narrow specialisation; (ii) prevailing resource use systems; and (iii) mountains' external links, suggests a range of risks and potential opportunities for mountain areas. A brief narration of the same at aggregate level will form a useful background for discussion of impacts of globalisation on mountain communities or upland poor. Accordingly, a generalized list of indicative factors or sources of risks for mountain regions in the globalisation context (summarized under Table 3) is presented below (Jodha 2000). They include:

- (a) Visible incompatibilities between the imperatives of mountain specificities (major bio-physical conditions such as inaccessibility, fragility, diversity, marginality etc.) determining the resource use and production patterns as well as exchange and consumption practices on the one hand and the driving forces and operational mechanisms of globalisation (e.g. resource use intensification, profit-driven selectivity and over-extraction etc.) on the other hand.
- (b) Likely accentuation of existing patterns of over-extraction of mountains' niche resources (timber, minerals, hydro-power etc.) and opportunities following the increased primacy to market and persistence of high land - low land economic links unfavourable to mountain areas (Jodha 1997).
- (c) Loss of resilience and protection to mountain communities, following the marginalisation/ erosion of age old adaptation measures and the reduced extent of public sector support to mountain areas following the economic reform programmes and emphasis on market-driven priorities and decision processes.
- (d) Erosion of mountains' niche opportunities/products (e.g. horticulture, off-season vegetables etc.) through decline of their mainly nature endowed comparative advantages, following the promotion of man-made arrangements to facilitate more efficient production of traditional mountain products in plains; and through initiation of liberal trade policies exposing mountain products to competition without alerting and preparing them for the same.
- (e) Visible "exclusion" process, where not only communities are alienation from their resources due to acquisition of the latter by private firms and others; but there is also a rapid decline of traditional practices, products, provisions and services, which helped sustain the mountain communities. Besides, mountain communities are largely left out of the process of positive changes (promoted by globalisation), due to their lack of requisite capabilities, skills and investments.
- (f) Finally due to several common drivers of economic globalisation and global environmental change (in the local contexts), the above risks are further accentuated and the earning options for mountain communities are reduced (Jodha 2001).

Table 3: Potential Sources of Adverse Repercussions of Globalisation for Mountain Areas and Communities and Approaches to Adapt to them^{a)}

Potential Sources	Elaborations/Examples
(a) Visible incompatibilities between: (i) driving forces of globalisation and (ii) imperatives of specific features of mountain areas (fragility, diversity, etc.)	(i) Market driven selectivity, resource use intensification and over exploitation induced by uncontrolled external demand versus (ii) fragility-marginality induced balancing of intensive and extensive resource uses; diversification of production systems, niche harnessing in response to diversity of resources Consequence: Environmental resource degradation; loss of local resource centred, diversified livelihood security options; increased external dependence.
(b) Accentuation of negative side effects of past development interventions under globalisation due to their common elements (approaches, priorities, etc.) with adverse effects on mountain areas	Common elements between the past public interventions and market driven globalisation: (i) Externally conceived, top-down, generalised initiatives (priorities, programmes, investment norms) with little concern for local circumstances and perspectives, and involvement of local communities (ii) Indiscriminate intensification at the cost of diversification of resource use, production systems and livelihood patterns causing resource degradation (e.g., deforestation, land slides, decline in soil fertility, biodiversity) (iii) General indifference to fragile areas/people excepting the high potential pockets creating a dual economy/society; over-extraction of niche opportunities (timber, mineral, hydropower, tourism) in response to external (mainstream economy) needs, with very limited local development Consequence: Environmental degradation and marginalisation of local resource use systems, practices, and knowledge etc., likely to be enhanced due to insensitivity of market to these changes and gradually weakened public sector
(c) Globalisation promoting erosion of provisions and practices imparting protection and resilience to marginal areas/people (including disinvestment in welfare activities)	(i) Traditional adaptation strategies based on diversification, local resource regeneration, collective sharing, recycling, etc., likely to be discarded by new market-driven incentives and approaches to production, resource management activities (ii) Shrinkage of public sector and welfare activities (including subsidies against environmental handicaps, etc.) depriving areas/people from investment and support facilities (except where externally exploitable niche opportunities exist) Consequence: Likely further marginalisation of the bulk of the mountain areas and people.
(d) Loss of local resource access and niche-opportunities through the emerging "exclusion process"	Niche resources/products/services with their comparative advantage (e.g., timber, hydropower, herbs, off-season vegetables, horticulture, minerals, tourism etc.) and their likely loss under globalisation through: i) Market-driven over extraction/depletion due to uncontrolled external demand ii) Focus on selective niche, discarding diversity of niche, their traditional usage systems, regenerative practices; indigenous knowledge iii) Transfer of "niche" to mainstream prime areas through market-driven incentives, green house technologies, infrastructure and facilities (e.g., honey, mushrooms, flowers produced cheaper and more in green house complexes in the Punjab plains compared to naturally better suited Himachal Pradesh) iv) Acquisition and control of access to physical resources: forest, waterflows, biodiversity parks, tourist attractions by private firms through sale or auction by government, depriving local's access, destroying customary rights and damaging livelihood security systems. Consequence: Loss of comparative advantages to fragile areas or access to such gains for local communities
(e) Adapting to globalisation process, possible approaches to loss minimisation	i) sharing gains of globalisation through partnership in primary and value adding activities promoted through market; building of technical and organisational capacities using NGOs and other agencies including market agencies to promote the above ii) promotion of local ancillary units (run by locals) to feed into final transactions promoted by globalisation; this needs institutional and technical infrastructure and capacity building iii) provision for proper valuation of mountain areas resources and compensation for their protection, management by local people for use by external agencies iv) enhance sensitivity of market-driven initiatives to environment and local concern to be enforced by international community and national governments v) All the above steps need local social mobilisation, knowledge generation and advocacy movements; and policy-framework and support Consequence: If above steps are followed, there are chances of influencing the globalisation process and reducing its negative repercussion for mountain areas/people

a) Table adapted from Jodha (2000)

As mentioned earlier, apart from the above negative consequences, globalisation may also create potential for new opportunities for mountain areas, where they can have exclusive advantage. Herbal products, mountain tourism, organic food and local skill based non-farm products are a few examples. Given realistic pricing and fair compensation, (possible under market driven competitive arrangements) for currently under-valued mountain resources and products, used by downstream economies, mountain areas may expect increased resource availability for welfare and development. Identification and promotion of new opportunities should, therefore, form a part of mountain areas' adaptation strategies in the globalising world. Most of the details mentioned apply to the situation of upland poor.

II. IMPACTS AT COMMUNITY LEVEL

When seen in the micro level context the above indicative risks and opportunities will be manifested by changes in environmental and social sustainability and livelihood security at community level reflected through: effects on earning opportunities, production patterns and resource use systems; erosion of customary rights, practices, entitlements, functional autonomy and access to local natural resources; indigenous knowledge and collective sharing systems; institutional arrangements governing resource management and their enforcement mechanisms; public support systems and social transfers etc. The positive consequences of globalisation, would be reflected new opportunities generated by globalisation in terms of enhanced demands and trade opportunities for mountain products/services; technologies and investment for resource development and conservation; relaxation of largely bio-physical constraints characterising mountain areas; enhanced human capacities and entrepreneurship, equitable external links and reduced isolation of mountain communities which directly or indirectly affect the community level situation. This has been revealed by both slowly emerging scattered evidence on the above changes and the ICIMOD's exploratory work in selected areas of HK-H countries on the subject. Building on this information we can address the specific issue of globalisation's impact on the upland poor. For doing so, we:

(i) look at the manifestations of globalisation led change at the micro-level (including how the macro-level policies and provisions percolate to micro-levels), (ii) what are the components of poor's sustenance strategies affected by them, (iii) positive potential opportunities for the upland poor (or mountain areas at macro level) generated by globalisation and how to harness them. Furthermore, to facilitate this task first we allude to two key concepts used here, namely globalisation and livelihood security at community level.

Manifestations of Globalisation: To reiterate, broadly speaking economic globalisation is a market friendly, market driven process promoted to guide and integrate economic transactions between different countries/participating entities. It embodies several issues and trends manifesting the changing patterns of international economic links and associated risks and opportunities for the participating countries/communities. Though the central element of globalisation process is the unprecedented degree of primacy accorded to market in inter-entity economic transactions, but what differentiates it from the historically evolving international economic relations (or the market-processes known to the mountain communities), is a reinforcing role of interconnectedness of economic transactions carried out by different participants; facilitative and speed promoting integrative role of information technology; and the formal institutional arrangements such as WTO, which help in developing and enforcing the framework and norms to promote the process. Its underlying philosophy and operational mechanisms are manifested through different provisions of trade policies; de-regulation and liberalisation of economic policies and processes, to facilitate internationally unrestricted flow of resources, products and services as guided by the market forces. However, the present discussion is not directed to the whole range of provisions and practices manifesting the key

elements and mechanisms of globalisation. Instead, it picks up the provisions and practices induced or imposed by the globalisation promoting policies and decisions, having relevance in the context of mountain areas specially at micro-community levels.

The elements of globalisation process (e.g. policies and provisions) designed at national level, and having direct or indirect relevance and potential impacts at community levels in mountain areas, as observed and recorded during the exploratory work (Jodha 2002), include the following.

- (i) Increased importance and policy-wise encouraged role of market friendly provisions and practices affecting economic (and related) transactions that influence the mountain people's priorities and practices in the field of production, exchange, resource management etc.
- (ii) Reduced role of public sector (due to deregulation and liberalization policies) influencing the extent and pattern of social transfers and support for welfare and development activities at community levels.
- (iii) Trade policies affecting demand and prices of mountain products and services.
- (iv) Increased (market-induced) external links and shifting patterns of input-sourcing and disposal destinations for mountain products, due to exposure of mountain economies to wider external economic systems.
- (v) Increased role of private sector (agencies) in input supply, technology promotion etc. at community levels.
- (vi) Increased role of external agencies influencing local level perspectives and planning including preferred products from village commons.
- (vii) Freedom and facility to external agencies to acquire/use local resources, affecting collective and individual property rights as well as group action.
- (viii) Factors/provisions influencing local institutional arrangements dealing with; livelihood options/opportunities, production structures and community resource management systems.
- (ix) Increased role of private sector in local infrastructural development, industrial and related ventures and employment-generating activities.
- (x) Changing occupational patterns induced by external product supplies, facilities and information/advertising.
- (xi) Visible role of information technology/facilities influencing people's initiatives and approaches.
- (xii) Information on new opportunities, technologies, external links etc.
- (xiii) Visible changes in the people's attitudes and approaches towards traditional arrangements and practices affecting their livelihood, due to external influences and changed incentive-disincentive patterns in mountain areas.

To sum up the above impacts, as reported by different communities are manifested by major changes such as the extent of subsidies and welfare programmes of the state; shifts in land use and cropping patterns; support prices and public distribution systems; new arrangements affecting access to and privatization of community resources; links and operations of external market agencies; changes in the nature, structure and operations of agencies providing inputs and extension services; changing status and complex of micro-enterprises and their external links, changes in overall earning opportunities; migration patterns etc. The list could be expanded. The essence of the changes could be summed up by actual statement of a farmer during the group discussion in Uttarakhand (India), "to day neither government nor market are as they used to be".

Livelihood Security: The term livelihood security is used to denote several inter-related arrangements directed to ensure dependable earning opportunities and their underlying provisions. They are manifested by a variety of production and resource use activities, collective risk sharing arrangements, and institutional and public sector support facilities. They also include a variety of adaptation measures against risks and vulnerabilities emanating from different sources. According to the community people these measures are affected differently by different changes involving state and the market. Accordingly, these measures can be put under different categories on the basis of possible potential impacts of specific changes associated with globalisation process. The structure and functions of the above mentioned systems and sources of income and employment opportunities may vary in different areas depending on their accessibility and level of development. Besides, even in the same area impacts as well as the ability to withstand the same varied between different groups. According to the farmers, their earning options also got affected by their reduced access to community's natural resources and government's indifference towards them.

While narrating the group-based difference in the impact of new changes, several farmers also mentioned about several new opportunities (new seed types, support from town based bigger business firm, increased information on external value of their products, and hence some attention to them; availability of more products from market within the village; exciting stories of change from village students studying in the town etc.

For an analytically meaningful synthesis of the above information about communities' perception of globalisation-led change and their positive or negative impacts, the same could be grouped and three interrelated categories. Accordingly, the livelihood opportunities of mountain communities' (including the upland poor) are linked to three sources or arrangements. They are: (a) individual's production and resource use system, (b) informal or traditional institutional arrangements including customary rights and collective sharing systems, and (c) development and welfare programmes and support systems created by the state. The impacts of globalisation on the economy and livelihood of the upland poor can, therefore, be examined with reference to changes in different components of the above sources and support systems. The involved processes and consequences in general terms have already been alluded to. In the following discussion we address some concrete situations. The details are summarized under Table 4 (A-C), which are quite self explanatory to need elaboration.

Potential Opportunities

Table 4 (A-C) indicated the risks or adverse effects of globalisation-led changes for the sustenance systems of highland poor or communities. But as shown by experience of some areas and community groups in HK-H regions, considerable new opportunities are also associated with the globalisation-led change. These opportunities too could be presented in relation to the three contexts of community-sustenance strategies adversely affected by globalisation process namely (i) individual products and resource use systems, (ii) collective institutional arrangements and (iii) public policy-programme support. The part of the opportunity-centred components implying new options while other relate to redressing the weaknesses or vulnerabilities of existing strategies to globalisation-led changes.

Furthermore, harnessing of such opportunities may have some constraints. We also indicate potential approaches to address these constraints. Though presented in a tentative way, more information and analysis of these opportunities and approaches can help mountain areas/communities in building adaptation strategies vis-à-vis globalisation induced risks and opportunities. Table 5 (A-C) summarises the range of possibilities and challenges.

Table 4-A: Sustenance systems of upland poor/communities: individual household level resource use and production strategies

Earning opportunities/options	Impacting-components/provisions of globalisation
1. Agro-climatically well-adapted crops mostly using local inputs	(a) "Market, profitability, external forces' – led changes marginalising 1,2,3,4,5,7
2. Diversified mixed farming systems with organic interlinks (crop-livestock-forest) combining extensive and intensive uses of land	(b) Focus on intensification, external input-technologies, narrow efficiency norms and competitiveness adversely affecting 1,2,3,5,7
3. Subsistence oriented activities with limited, functional market links; little direct external links	(c) Fast pace of market driven change leading to limited lead time for adjustment in contrast to 1,5
4. Largely subsistence-oriented activities with slow pace of change in response to new opportunities/constraints	(d) Incentives/compulsions for narrow specialization/competitiveness adversely affecting 2,5
5. Focus on food system and multiple self provisioning activities as adaptations to local resource potentialities and limitations	(e) Enhanced dependence on external factors adversely affecting 3,5,6,7
6. Harnessing small scale niche opportunities' (products/resources-fruits, flowers, off-season vegetables)	(f) Intellectual Property Rights (IPR) issues disregarding farmers' right affecting 7
7. Indigenous knowledge systems and practices to support sustenance including bio-diversity conservation and use	(g) Liberalised trade policies market and profitability induced facilities in plains eroding comparative advantage or niche affecting 6

Table 4-B: Sustenance systems of upland poor/communities: traditional Institutional arrangements and collective sharing systems

Sustenance support and facilities	Impacting-components/provisions of globalisation
1. Common property resources for collective sustenance	(a) Market friendly legal changes violating customary rights and practices affecting 2,3
2. Local natural resources: autonomy and access rights	(b) Privatisation/auction/transfer of commons to private firms eroding a major source of collective sustenance through 1
3. Customary rights' responsibilities and enforcement mechanisms to combine production and conservation concerns	(c) Focus on private profitability and emphasis on individualistic values rather than collective values, causing disintegration of collective stakes in community resource and collective assets - 5
4. Group action for collective risk sharing and managing crises/disasters	(d) Loss of complementarities between collective actions and individual actions enhancing degree of risks faced by communities 1,4
5. Community asset building and maintenance (community irrigation systems, water mills)	

Table 4-C: Sustenance systems of upland poor/communities: development and welfare support systems of the state

Social transfers and public support measures	Impacting-components/provisions of globalisation and associated reforms
1. Welfare activities – subsidies and support for food security, education, health services	(a) Economic reforms, structural adjustment policies (designed at macro-level) reducing the role of state/public sector in economic matters affecting 1 to 9
2. Subsidies and support for agricultural and related-production activities (credit and other inputs, transportation etc.)	(b) Decline of welfare, subsidies, support systems etc. reducing state supported protection against risks and vulnerabilities – 1,3,4
3. Marketing and product price support/guaranteed purchase	(c) Decline of development support (via technologies, infrastructure development etc. - 4,6,7
4. Help in capital asset building (land improvement, irrigation, farm machinery	(d) Exposure to external competition (without preparation/due to primacy of market forces, liberalised trade policies affecting – 3,8,9
5. Relief measures during crisis and calamities	
6. Support from R&D and extension systems	
7. Infrastructural development support	
8. Protection against external market-competition, export promotion of selected products	
9. Institutional arrangements through cooperatives etc.	

Pro-poor globalisation

The options and strategies built upon the issues raised as part of risks and opportunities associated with globalisation-led changes (Tables 4 and 5) may greatly help the upland poor. However, to reinforce the above approach one can think in terms of promoting a process of pro-poor globalisation. The latter can be conceived in terms of addressing the weaknesses and strengths of the poor or small producer in mountain areas.

The strengths of the small producer lie in small scale but diversified production activities with high intensity and personal attention to the components of production activity. Globalisation may offer significant opportunities for such activities/products with exclusive advantage.

The biggest weakness of small producer in globalisation context is lack of information and capacities as well as missing external links to undertake activities beyond small scale production.

Table 6, summarises various measures to make the small scale production compatible with the dominant circumstances of globalisation. These measures range from promotion of high value exportable products of the poor farmer to facilitating links between the producer and global marketing firm. The required steps and potential agencies/arrangement to implement them are also indicated in Table 6.

Relevance to IFAD programmes

Since central focus of the IFAD activities is on poverty alleviation, helping the poor in globalisation context should be one of its primary concerns. The discussion under this paper therefore should help in thinking and designing its activities in uplands.

The immediately relevant steps by IFAD could be built upon the issues summarized by Table 6. Accordingly the first step could be assembling information on different items outlined by the Table 6. Based on the analysis of this information next steps could be designed.

In order to address the above concerns and to have policy relevant concrete information or them the key steps should include:

- (a) Identification and assessment of components of globalisation such as liberalized trade policies; economic liberalization and de-regulation measures, external links and unrestricted resource and product flows etc. that directly or indirectly, positively or negatively influence the economic and related activities in mountain areas.
- (b) Identification and assessment of components of production and resource use systems (including institutional arrangement for collective risk sharing, food security, natural resource conservation) affected by various provisions of globalisation.
- (c) Understanding of the process of percolation of globalisation driven policies and actions decided at macro-level to micro-community levels, influencing latter's economy and environmental variables.
- (d) Assessment of the way communities perceive and react to the globalisation induced positive and negative changes (including analysis of successful adaptation to the change and their replicability).
- (e) Simultaneously, promotion of awareness and advocacy of adaptation options and facilitate their integration in to development programmes.

Table 5: Globalisation and potential opportunities for upland poor/communities

(A) Opportunities based on products/services with comparative/exclusive advantage in global market	Constraints and potential responses/approaches
<p>1. High value crops/products with global market (e.g. herbs, spices, organic products flowers, more suited to small scale production as shown by Hunnan (China), Himachal and Sikkim (India), Ilam (Nepal)</p>	<p>(a) Un explored extent of markets; requiring market exploration and promotion using tools/mechanisms of globalisation</p> <p>(b) Small scale producers inability to operate in global market; requiring their capacity building including ancilliary links with modern corporations (as Dabar in Nepal); and developing small producers federation for post production – activities as done in Andes.</p>
<p>2. Pressure of competition and responses to (in terms of productivity/efficiency enhancement of products)</p>	<p>(a) Constrained by lack of relevant technologies, investments and low capacities of local producers – requiring action on all the above fronts through state as well as private sector (once convinced about the potential);</p> <p>(b) To facilitate support the choices of products with high potential, recognition and valuation of multiple gains of chosen products</p>
<p>3. Complementing natural niche by man made niche to enhance opportunities (tried in parts of China/India/Pakistan)</p>	<p>(a) Limited information on potential possibilities and choices requiring substantial investment and local participation</p> <p>(b) Area or location specific efforts to be identified and implemented including through partnership between state, local communities and private sector agencies.</p>

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Cont'd...Table 5

(B) Opportunities involving local institutional arrangements	Constraints/remedial approaches
<p>1. Collective arrangements, groups action to enhance exclusive products/services based on natural resources e.g. NTFP, eco-tourism, meditation-centres in response to rising demands of global rich (tried in some mountain areas of China, Nepal, India, Pakistan)</p>	<p>(a) Despite liberalization on external front persistence of state controls and administrative rigidities internally; need internal liberalisation</p> <p>(b) Weakened R&D support due to marginalized role of public sector – require private sector and public sector collaboration in R&D</p>
<p>2. Grouping of local youth or federations of small producers induced by opportunities offered by globalisation process to harness the gains and protect against risks of new change</p>	<p>(a) Current initiatives quite localized – need spread to different areas as a part of local capacity building efforts to adapt to globalisation</p> <p>(b) Needs increased proactive state policies including modification of WTO norms</p>
<p>3. Locally run arrangements (in collaboration with NGOs etc.) to use it services and direct links with external market agencies</p>	<p>(a) Same as above</p> <p>(b) Needs pro-active</p>

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(C) Public policies and programmes in the changed context	Constraints and potential responses/approaches
<p>1. Emerging initiatives on exploration/promotion of high value, globally demanded products/services with exclusive and comparative advantages</p>	<p>(a) Persistent lethargy of public sector – work culture, requiring pro-active approach in collaboration with private sector; (b) Require greater focus on diversity led small niche and advantages of smaller scale and value adding components (c) Inducing global private sector involvement in promotion</p>
<p>2. Institutional initiatives (in collaboration with NGOs, public sector and communities) on local capacity building, spread of facilities and collective action to adapt to globalisation-led changes</p>	<p>(a) Inability of conventional state-sponsored institutions/cooperatives etc. to respond to new opportunities and challenges, requiring their reorientation or replacements by new dynamic institutions (youth organizations, producers' federation etc.) involving pro-active NGOs, business groups etc. (b) Market friendly state policies (e.g. on privatization of commons, over extraction of NTFPs etc.) unfavourable to communities – require changes to make them pro-people</p>
<p>3. Rising concerns and advocacy and action on farmers' intellectual property rights, valuation and compensation for environmental services by mountain areas/communities; equitable highland lowland economic links, protection – upgrading and usage of indigenous knowledge systems</p>	<p>(a) Need for stronger state policies and advocacy of the mountain community concerns in global discourse and action fora such as WTO.</p>

Table 6: Promoting pro-poor globalisation

Indicating elements or action items	Arrangements/responsibilities
1. New high pay-off opportunities for the poor with comparative advantage to smaller scale and diversity, and local skills	<ul style="list-style-type: none"> ● Information (awareness), technologies, support systems and promotion of products ● State agencies, R&D groups, NGOs, community organizations and relevant business groups operating in global market
2. Activities involving strong complementarities between local space (localized diversified production) and global flows (post production marketing activities)	<ul style="list-style-type: none"> ● Collaboration between producer groups and marketing firms with safeguards against exploitation of the producers ensured by the state
3. Ancilliary – relationships between small scale producers and large scale (global) trading agencies	<ul style="list-style-type: none"> ● Private marketing firms with pro-producer focus as a part of their business strategy involving R&D and other support to producers (e.g. Dabar Nepal)
4. Horizontal and vertical federating arrangements to link the poor as small producers and their marketing groups	<ul style="list-style-type: none"> ● Training in organizational management/ skills by specific NGOs, business groups
5. Capacity building for new challenges/ opportunities	<ul style="list-style-type: none"> ● New skills by hand on training, investment and asset creation, external links and exposure learning by experience
6. Enabling environment and support systems including protection of farmers' IPRs, customary rights and access to natural resources, compensation for their contribution to environmental services, fair terms of trade in highland lowland links etc.	<ul style="list-style-type: none"> ● Advocacy and action on the issues in policy programme fora at macro or global level by NGO, governments

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