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Free Trade versus Fair Trade

-Saga of Tribal Haat Bazars in India-

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Abstract

Transactions in forest produce in around 5,000 tribal Haat bazars in India is estimated to be worth over Rs.2 lakh crores a year. According to a CAG report the tribals receive less than twenty percent of the value of their produce; the rest passes on to the middleman. Haat bazars are the markets where they exchange their produce for cash. One study done in Bastar estimated that the loss was due to improper weighing, unfair deductions, and fudged math aggregate to over 55 per cent.

Keywords

Bastar district, low-end trade like forest produces, tamarind, middlemen, inequity, left-wing extremism, the minimum support price.

1. Introduction

It is Friday. the weekly market day in Lohandiguda, close to the famous Chitrakoot Waterfalls in the Bastar district in the state of Chhattisgarh. Sonmati has been preparing for this day for a week now. Her husband had felled ripe tamarind pods from a tree on their farmstead. Sonmati had manually removed the shell, the fiber and then decorticated the pod to remove the seeds. What she has now is a basket full of the decorticated tamarind, locally known as '*phool imli*.' The produce must be around eight kilograms.



Chitrakoot Waterfalls

Sonmati understands it as a headload. She will carry it to the market in Lohandiguda some ten kilometers away from her village. She will sell it to a person she knows by face. She does not know his name nor that he is the first link in the supply chain. He is an operative of a merchant in Jagdalpur. Wily ways are his qualification for trade. He will 'buy' the tamarind from Sonmati.

He will grumble that she has sprinkled it with water to increase its weight. He will under-weigh it on a huge scale. He will deduct one kilogram for the basket that weighs just 350 grams. He will deduct another kilogram against *sukti-jhukti*, the factor of moisture loss and difference in scales. He will fudge the math when computing the amount payable. He knows the illiterate Sonmati cannot understand math. Sonmati will protest, not because she understands the wrong done but because her protest will help her get something more, maybe a packet of cheap biscuits. *That's a standard profile of the trade in tribal Haat bazars*.

2. Free Trade versus Fair Trade

There are an estimated ten (10) crore tribals in India. Half of them live in forests like Sonmati. Non-timber forest products and the surplus of agricultural products are the main source of cash for them. Haat bazars are the markets where they exchange their produce for cash. There is no 'eye of the State' here to oversee that the exchange is fair to the tribal. One study done in Bastar estimated that the loss due to improper weighing, unfair deductions, and fudged math aggregate to over 55 per cent!

Transactions in forest produce in around 5,000 tribal Haat bazars in India is estimated to be worth over *Rs.2 lakh crores a year*. According to a CAG report the tribals receive less than twenty percent of the value of their produce; the rest passes on to the c. The CAG report called for strong Government intervention. The Parliamentary Committee said the same. Yet there is a barrage of questions. Why should the Government involve itself in trade and commerce? What has trade got to do with governance? Should trade not be freed and left to the traders who are born to trade?

Undoubtedly, there is substance in such questions when we talk of trade and commerce *per se*. One can argue whether the Government should at all be involved with, say, top-end hospitality sector or with ferrying air-passengers. But when we are talking of low-end trade like forest produces at the grass-root level, we should remember that we are not dealing with trade in isolation. We are dealing with issues of equity and State support for the vulnerable sections of our people. We are dealing with social welfare and justice. We are dealing with livelihood and all that relates to it.

In the case of forest produce, there is an added issue of importance, namely, that of environment. These are all issues inseparable from good governance and form part of the Constitutional duties imposed upon the State. If we shy away from such involvement, we fail in our duties. We betray our people—in fact, fail a segment of our society who need our support most.



Tribal women going their traditional Haat Bazars

Free trade is fair only among equals, among parties who are on a common plan of education, caliber, and trade-skills. If there is inequality between them, there is bound to be inequity. If the difference between them is very wide, there is bound to be exploitation of the weaker by the stronger. This is the situation in a roadside weekly market in a forest district.

3. Spread of Left-Wing Extremism

One part is a sharp trader for whom all is fair in love, war, and trade; and another part is a forest-gatherer who has no scientific idea of pricing, no idea of even weights and measurements. He does not understand arithmetic. In such a situation, the result can be sheer loot. It is not a matter of coincidence that left-wing extremism flourishes in tribal-forest areas. The State spends huge sums of money to fight this. Similarly, it spends a great deal of money on various welfare programs. If the trade in forest produce in the tribal Haat bazars is made fairer and more equitable to the tribals, the State would achieve several times more in social welfare objective than it achieves through public expenditure on other welfare programs.

4. Concluding Remarks

The Government is alive to this need. It has programs like the minimum support price (MSP) for minor forest products. However, much more needs to be done to counter the strong forces that have managed to rule the tribal Haat bazars by making these markets look insignificant in the eyes of the Government officials, most of whom have never had an opportunity to probe deep enough. Trade-centric tribal development is the route to pursue the goal of *sabka vikas, sabka saath*. A trade that is friendly and equitable to the tribal.