

Globalization and Fragile Mountain Environments

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Globalization and Fragile Mountain Environments

Policy Challenges and Choices

296

Mountain areas are faced with a range of new problems in the context of rapid globalization and economic liberalization. There are visible incompatibilities between the driving forces and operational mechanisms of market-driven globalization and the imperatives of mountain conditions. Thus, selective overextraction of resources in response to market signals and narrow specialization that disregard local diversity are incompatible with the fragility, inaccessibility, diversity, and marginality of mountain regions. The

negative impacts of globalization and new trade policies on local production systems are already visible in many parts of the Hindu Kush–Himalayan region, and niche markets with comparative advantages for mountain regions are disappearing. There is a need to adapt to the changes brought by globalization. A few key areas in which new approaches could minimize the negative impacts and harness the positive opportunities associated with globalization are outlined below for the attention of policymakers.



FIGURE 1 Processed mountain products at a modern market. (Photo courtesy of ICIMOD)

Globalization in mountain areas

Globalization can be described in simple terms as the adoption of market-friendly economic policies and programs specifically aimed at liberalizing trade and exchange policies, reorienting development and investment priorities, and restructuring the rules that guide economic transactions. These developments are dictated by the pressures and incentives generated by global economic forces and their corresponding legal and institutional instruments. The alleged virtues of globalization include freer flow of resources and products, ensuring more efficiency; an increase in wealth and welfare at the global level; and assignment of development and distribution to market forces that can perform more efficiently through incentive-driven transactions. However, the resulting inequities can seriously discount these presumed virtues.

Unlike the slow and gradual process of economic integration through trade, investment, and migration in the past, present-day globalization is more rapid and differs radically from past processes. The impacts of globalization vary, depending on how it affects stronger and weaker actors. Mountain regions and communities are among the weaker participants being integrated into the global system, without sufficient capacity or preparation and on terms established without their involvement.

The key problem addressed here is that global perspectives and external concerns are given primacy when dealing with local problems, resulting in disregard of

local perceptions and practices. Global perspectives are imposed at the micro level through numerous mechanisms. These include commodity trading and associated resource use, new production patterns, restructuring of property rights and access to resources, dismantling of existing regulatory provisions and their enforcement mechanisms, curtailment of welfare and support for the needy, and promotion of preferred technologies and support systems through a range of investment, tax, and price incentives. These mechanisms are induced by market imperatives that are insensitive to social and environmental concerns.

Environmental impacts on mountain areas

The features of mountain environments, such as limited accessibility, a high degree of fragility, marginality, and diversity create specific circumstances that favor diversification of resource use and production. This involves a balance of intensive and extensive land use, production, and conservation. As mentioned above, globalization, by contrast, is driven by market forces such as short-term profitability and external demand. These forces promote selectivity and narrow specialization in the choice of production activities, encourage intense and indiscriminate resource use, and lead to overexploitation of niche opportunities and resources with little concern for environmental consequences. In the Hindu Kush–Himalayan region, this process is already quite visible at the

farm level through narrow specialization in cash crops, including selected horticulture with intensive use of chemical inputs, a focus on monocultures, and reduced diversification. Overextraction of resources with accompanying negative impacts at the local level is also apparent.

Erosion of practices that offer resilience and protection

Mountain people have traditionally adapted their strategies to ensure protection and use of fragile and marginal resources and to secure their livelihoods (Figures 1, 2). Their strategies have been characterized by diversified and flexible resource use, resource recycling, use of common property resources, and various risk-sharing arrangements. Public sector interventions, including welfare and relief programs as well as subsidized development activities, have also helped mountain people compensate for natural and other disadvantages.

If emerging trends are any indicator, protective provisions and practices are likely to decline under the conditions created by globalization. As is already apparent in progressive mountain areas that have been transformed by market-driven processes, new short-term, profit-oriented production and resource management systems driven by trade and external perspectives are marginalizing traditional practices. Similarly, the public sector is rapidly shrinking; structural adjustment plans are imposing different norms for efficiency and productivity and strong market-dominated regimes are influencing resource allocation and performance assessment. This is affecting welfare programs and development programs supported by subsidies.

Exclusion through loss of niche markets and access to opportunities

The erosion of environmental and social practices is exacerbated by loss of opportunities for mountain people. This can take various forms:

- The potential for products and services that mountain areas can provide (eg,

timber, hydropower, off-season vegetables, seed production, valuable herbs, tourism, etc) may decline once they are isolated as individually exploitable niche opportunities.

- Globalization brings new incentives, technologies, infrastructure, and support systems in response to high demand and profitability. These foster man-made facilities for production outside mountain areas, undermining the comparative advantages that these areas previously enjoyed. For example, products such as honey, mushrooms, flowers, herbs, off-season vegetables, and quality crop seeds, hitherto produced mainly by mountain areas such as Himachal Pradesh (India), are now being produced much more cheaply and in larger quantities in vast greenhouse facilities in the plains of the Punjab. Support for research and development (R&D) available in the plains is not available in mountain areas.
- Open general licensing (OGL) for imports in India, encouraged by global trade policies, may marginalize niche opportunities in mountain areas by replacing local products with imports. This has happened with apples in the hill country in India (Figure 3).
- Mountain people are being excluded from the global economy through inability (for want of resources, skill, capacities, etc) to participate in and gain from the opportunities offered by globalization relating to mountain resources.
- Production- and trade-related exclusion mechanisms are further accentuated by resource-based exclusion. Examples of change in ownership of and access to resources abound in different parts of the Hindu Kush–Himalaya, including the U.P. Hills and Himachal Pradesh in India, the greater Kathmandu Valley and the Pokhara Valley in Nepal, and parts of Tibet and other mountain areas in China. These areas have witnessed auctioning of so-called “wastelands,” leasing of land for mining or development of herbal farms, granting of water rights for hydropower production, and granting of rights to use forests for timber. In addition, some areas are being



FIGURE 2 Traditional fresh mountain products at a local market. (Photo courtesy of ICIMOD)



FIGURE 3 Expansion of apple orchards, replacing food crops (Himachal Pradesh). (Photo courtesy of ICIMOD)



FIGURE 4 *Chenopodium*, a unique mountain crop grown for organic health food products. Such niche products could be promoted. (Photo courtesy of ICIMOD)

enclosed for parks and biodiversity protection, and prime spots are being developed for tourist resorts (as well as private dwellings for the rich).

The potential for adaptation to globalization

Given economic developments at the national and international levels, it is impossible to halt the process of globalization. The best option is to eliminate or minimize its negative impacts on mountain areas while harnessing its benefits. The impacts of globalization on mountain areas could be mitigated by a context-specific mixture of steps to minimize economic loss, prevent exclusion, ensure local participation in obtaining benefits from resources, and create compensatory mechanisms for environmental services offered by mountain areas to the rest of society.

- Mountain people must be able to share in the gains of globalization by engaging in primary and value-adding activities related to the opportunities presented by globalization. This implies participation in the market-driven process of change. To facilitate their participation, local people must be equipped in terms of requisite skills, capacities, infrastructure, etc. A number of nongovernmental organizations (NGOs) are already working to bring this about through activities in scattered locations.
- Linking local communities to ventures designed to enhance production and resource management is one of the most effective ways to ensure local participation in external initiatives in mountain areas.
- Local communities can share in the benefits of globalization through provision for adequate compensation for losses resulting from various forms of exclusion. Local partnership in market-driven initiatives can also be based on recognition of customary rights and protection of intellectual property rights (IPR).
- Compensation must be provided for the flow of resources, products, and

services from mountains to lowland and urban areas. There is an urgent need to assess the real value of resources and products (timber, water, hydropower, environmental services, tourism, specific natural products, etc) that are largely protected and regenerated through resource management practices in mountain communities.

Policy challenges and choices

Policymakers will need to consider a number of areas in seeking to minimize the negative consequences and enhance the opportunities associated with globalization in mountain regions.

Sound information and understanding

The first task for policymakers is to facilitate greater understanding of the emerging impacts of globalization (ie, relevant policies and procedures) on mountain areas and communities. A systematic research effort should be initiated to promote awareness of the impacts of globalization, particularly at the micro level. The framework, focus, and design of such a research effort could be built around both conceptual and specific issues. The former involve such things as the degree of incompatibility between specific conditions in mountain areas and the driving forces and operational mechanisms of globalization. The latter are issues concerned with specific change, as evidenced by the marginalization of niche markets, processes of exclusion, growing imbalances in highland-lowland economic links, and emerging efforts to adapt to the negative and positive impacts of globalization.

Strengthening niche markets

One of the key limitations of mountain areas in the present context is their primary reliance on the comparative advantages offered by nature. Man-made facilities for enhancing local development and favorable terms of trade have been largely lacking. Hence, the key challenge for actors interested in the prosperity of mountain areas is how to strengthen their traditional niche markets while identifying new opportunities through R&D, infra-

structural support, local participation, and partnership with the private sector.

In the short run, the features of globalization such as product differentiation can be used to create a number of niche markets, for example, through “branding” (eg, organic and ecofriendly products that fetch a good price; see Figure 4). Value-added processing of mountain products (eg, herbs, fruits) is another promising sector. Some NGOs and self-help groups are already undertaking such measures. R&D in mountain areas could focus on the quality of products for niche markets. This is now happening in Himachal Pradesh and many parts of China. But there is a need for more institution building and infrastructural development. Mutual learning involving different mountain areas is another important step in this direction, as demonstrated by ICIMOD’s multicountry projects.

The local responsibilities of global stakeholders

When national or international private corporations become directly or indirectly involved in mountain areas, they become stakeholders in the present and future of these areas. As stakeholders, they also have local responsibilities. However, there is a major gap between awareness and execution of these responsibilities. Policymakers also need to address this gap.

Exclusion based on alienation from resources and products clearly requires the attention of policymakers. Policymakers can also explain the special problems of mountain areas and advocate their interests. Actors who set the global agenda and promote liberalization can thus be made aware of the problems of inaccessibility, fragility, marginality, and diversity in mountain communities. This advocacy must also include calls for compensatory mechanisms.

Indeed, all local efforts to conserve land, water, and biodiversity are associated with externalities that offer more benefits to downstream regions than to mountain people. Even minimum compensation by the private sector for such services is a justifiable form of special treatment for mountain areas. Compensation will not be



FIGURE 5 Improved road access for remote mountain communities alleviates the problem of exclusion (mule caravan in Himachal Pradesh). (Photo courtesy of ICIMOD)

possible otherwise due to rapid marginalization of the public sector and the growing primacy of market forces in economic transactions. Partnership between mountain communities and actors in the private sector must also be encouraged to ensure that mountain communities share in the benefits of globalization.

Involvement of global or national agencies in building physical infrastructure would also help to harness the benefits of globalization for mountain communities. As a result of globalization, more investment resources and relevant technologies have become available to address their specific problems. Reducing remoteness and isolation alone can do much to enhance the competitiveness of mountain economies (Figure 5).

A forum for decision and the need for mobilization

One advantage of globalization is that it is an evolving process, with an international framework coordinated by the World Trade Organization (WTO). Despite its limitations, the WTO provides a platform for dialogue and resolution of complaints through periodic meetings. Dealing with the impacts of globalization on mountains could be a fit subject for discussion and decision-making in this context. However, advocacy of the interests of mountain regions must be supported by detailed information and analysis about relevant issues.

Local communities, as well as external expressions of support from NGOs, environmental activists, academia, donors, and sensitive government agencies, must be mobilized in order to strengthen dialogue and influence decision-making processes related to mountain areas. Linking voices and concerns from various agencies and locations is not difficult in an age that has seen a revolution in information and communication technologies.

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