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DENIAL OF FAIR REMUNERATION TO TRIBAL COMMUNITIES: A SOCIO-LEGAL STUDY

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Abstract

Tribal communities in India constitute one of the most marginalized and vulnerable sections of society, heavily dependent on natural resources and forest produce for their livelihood. Despite their critical role in sustaining ecological balance and contributing to local economies, they are frequently denied fair remuneration for their products. This article examines the socio-legal dimensions of this issue, focusing on the structural barriers, exploitation by intermediaries, and inadequacies in the implementation of legal protections. Through an analysis of constitutional provisions, statutory frameworks such as the Forest Rights Act 2006 and the PESA Act 1996, and the ground realities faced by tribal communities, the study highlights the gap between law and practice.¹² The paper argues that denial of fair remuneration is not merely an economic issue but a violation of fundamental rights, particularly the right to livelihood and dignity under Article 21 of the Constitution.³ The article concludes with recommendations for legal reforms and policy interventions aimed at ensuring economic justice for tribal populations.

1. Introduction

India is home to a large and diverse tribal population, officially recognized as Scheduled Tribes under the Constitution. These communities have traditionally lived in close harmony with nature, relying on forests for their sustenance, cultural identity, and economic survival. Minor forest produce such as honey, bamboo, tendu leaves, medicinal plants, and resins constitute the backbone of their livelihood.

However, despite their dependence on and contribution to forest-based economies, tribal communities continue to remain economically marginalized. A major reason for this paradox is the denial of fair remuneration for their products. Due to lack of access to formal markets, inadequate infrastructure, and the dominance of intermediaries, tribal producers are often

¹Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, § 2, No. 2, Acts of Parliament, 2007

² The Provisions of the Panchayats (Extension to Scheduled Areas) Act, No. 40 of 1996, INDIA CODE (1996).

³ INDIA CONST. art. 21.

compelled to sell their goods at significantly lower prices.

This article argues that the persistent denial of fair remuneration to tribal communities amounts to a violation of their fundamental rights, particularly the right to livelihood and dignity under Article 21 of the Constitution.⁴ The judiciary has consistently recognized livelihood as an integral part of the right to life, as seen in *Olga Tellis v. Bombay Municipal Corporation*, where the Supreme Court affirmed that deprivation of livelihood undermines the right to life itself.⁵ Further, in *Samatha v. State of Andhra Pradesh*, the Court emphasized the protection of tribal rights over natural resources and land.⁶

Although constitutional provisions and legislative measures such as the Forest Rights Act, 2006 and the Panchayats (Extension to Scheduled Areas) Act, 1996 aim to safeguard tribal interests, their ineffective implementation has resulted in a significant gap between legal guarantees and ground realities.⁷ This study therefore examines the socio-legal dimensions of this issue and analyzes the reasons behind the continued economic exploitation of tribal communities.

2. Socio-Economic Conditions of Tribal Communities

Tribal communities are among the most economically disadvantaged groups in India. Their livelihoods are predominantly based on subsistence activities, including agriculture, forest gathering, and wage labor. Unlike mainstream economic actors, they operate outside formal market structures.

Several socio-economic factors contribute to their vulnerability:

Geographical isolation: Numerous tribal settlements are located in remote forest areas with limited infrastructure. There is restricted access to essential services such as schools, healthcare facilities, and markets. This isolation limits their integration into mainstream economic activities and reduces their ability to benefit from broader market opportunities.

Lack of education and awareness: Low literacy rates and institutional gaps result in limited

⁴ Id.

⁵ *Olga Tellis v. Bombay Municipal Corporation*, (1985) 3 SCC 545 (India).

⁶ *Samatha v. State of Andhra Pradesh*, (1997) 8 SCC 191 (India).

⁷ Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, No. 2 of 2007, § 2 (India); The Provisions of the Panchayats (Extension to Scheduled Areas) Act, 1996, No. 40 of 1996 (India).

access to education and awareness among tribal communities. This lack of education hinders the development of skills and knowledge necessary for economic advancement. Consequently, they become vulnerable to exploitation by middlemen, who take advantage of their limited awareness to purchase forest produce and labor at prices far below market value.

Dependence on natural resources: Tribal livelihoods heavily rely on forest produce such as timber, bamboo, tendu leaves, honey, and other minor forest products. These resources are seasonal and subject to environmental and regulatory changes. As a result, income remains uncertain and fluctuates due to seasonal cycles, climate change, and restrictions on forest access. This dependency leads to unstable and unpredictable earnings.

Absence of institutional support: Tribal communities often have limited access to cooperatives, fair-trade markets, credit facilities, and government procurement systems. These institutions could otherwise provide financial support, training, and fair pricing mechanisms. In their absence, tribal people depend on private traders and moneylenders, who frequently charge exorbitant interest rates, perpetuating cycles of debt and exploitation. These factors collectively create a situation where tribal communities face significant disadvantages in negotiating fair prices for their produce. Their geographical isolation, lack of education, dependence on seasonal resources, and limited institutional support make it difficult for them to compete fairly in the marketplace. Consequently, they are often compelled to sell their products, such as fruits, herbs, and handicrafts, at prices far below market value.

3. Nature of the Problem: Denial of Fair Remuneration

The denial of fair remuneration manifests in several ways:

3.1 Exploitation by Middlemen

One of the primary factors contributing to this problem is the exploitation by middlemen, who dominate the procurement and distribution networks of forest produce. Due to the absence of direct access to markets, tribal communities are often compelled to sell their products—such as honey, bamboo, medicinal plants, and other minor forest produce—at significantly lower prices to intermediaries. These middlemen, leveraging their control over transportation and market linkages, resell the same goods in urban or organized markets at substantially higher prices, thereby appropriating a disproportionate share of the profits while leaving the primary producers undercompensated.

3.2 Lack of Market Access

Another critical issue is the lack of market access, which severely restricts the economic agency of tribal populations. Many tribal settlements are located in geographically isolated and forested regions with inadequate infrastructure, including poor road connectivity and absence of organized marketplaces. This isolation not only limits their ability to engage directly with consumers but also reinforces their dependency on local traders, who often exploit this vulnerability. The absence of reliable transportation and storage facilities further compounds the problem, forcing immediate sales at unfavorable prices.

3.3 Absence of Price Regulation

The absence or ineffective implementation of price regulation mechanisms, particularly the Minimum Support Price (MSP) scheme for minor forest produce, further aggravates the situation. Although the MSP framework is intended to safeguard tribal interests by ensuring a minimum guaranteed price, its implementation remains inconsistent and uneven across regions. In several cases, tribal communities are either unaware of such schemes or lack access to procurement centers, rendering the policy ineffective in practice. This gap between policy formulation and ground-level execution perpetuates economic insecurity among tribal producers.

3.4 Information Asymmetry

Information asymmetry plays a significant role in enabling exploitation. Tribal sellers often lack awareness of prevailing market prices, demand trends, and value chains associated with their produce. This informational disadvantage allows traders and intermediaries to manipulate prices, misrepresent market conditions, and engage in unfair trade practices. The absence of digital connectivity and access to real-time market information further deepens this disparity.

3.5 Structural Inequality

This issue is deeply embedded within a framework of structural inequality, shaped by historical marginalization, socio-economic exclusion, and entrenched caste dynamics. Tribal communities have long been positioned at the periphery of mainstream economic systems, with limited access to education, financial services, and institutional support. These structural disadvantages not only reduce their bargaining power but also normalize exploitative practices, making fair remuneration an elusive goal.

4. Legal Framework Protecting Tribal Economic Rights

India has developed a comprehensive constitutional and statutory framework aimed at safeguarding the economic rights of tribal communities. These legal protections are designed not only to recognize the unique relationship between tribal populations and their natural resources but also to prevent exploitation and ensure equitable access to livelihood opportunities. However, despite the presence of these robust legal provisions, their effectiveness is often undermined by gaps in implementation, lack of awareness, and administrative inefficiencies.

4.1 Constitutional Provisions

The Constitution of India provides several safeguards:

Article 21: Article 21, which guarantees the right to life and personal liberty, has been expansively interpreted by the judiciary to include the right to livelihood, dignity, and a decent standard of living.⁸ This interpretation is particularly significant for tribal communities, whose survival and cultural identity are closely tied to their access to forest resources and traditional occupations.

Article 46: Article 46 imposes a positive obligation on the State to promote the educational and economic interests of Scheduled Tribes and to protect them from social injustice and all forms of exploitation.⁹ This Directive Principle reflects the constitutional commitment to substantive equality and social justice, recognizing the historical disadvantages faced by tribal populations. Together, these provisions establish a constitutional mandate for ensuring fair remuneration and preventing economic exploitation of tribal communities.

4.2 Statutory Protections

(a) Forest Rights Act, 2006

The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 (commonly known as the Forest Rights Act or FRA) represents a landmark legislation in recognizing the customary rights of forest-dwelling Scheduled Tribes. It grants them the right to access, collect, use, and dispose of minor forest produce, thereby enabling economic self-sufficiency and reducing dependence on exploitative intermediaries.¹⁰ The Act

⁸ INDIA CONST. art. 21.

⁹ INDIA CONST. art. 46.

¹⁰ The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, No. 2

also vests decision-making powers in local institutions, thereby promoting community-based resource management.

(b) PESA Act, 1996

The provisions of the Panchayats (Extension to Scheduled Areas) Act, 1996 (PESA) further strengthened tribal autonomy by empowering Gram Sabhas in Scheduled Areas to manage natural resources and regulate local markets. It recognizes the authority of tribal communities to control minor forest produce and prevent alienation of land and resources.¹¹ By decentralizing governance and placing decision-making in the hands of local communities, PESA aims to minimize exploitation and ensure that economic benefits accrue directly to tribal populations.

(c) MSP for Minor Forest Produce

The Government of India has also introduced the Minimum Support Price (MSP) scheme for minor forest produce as a policy intervention to ensure fair remuneration for tribal gatherers. This scheme seeks to provide a price floor for various forest products, thereby protecting tribal producers from distress sales and market fluctuations.¹² However, in practice, the effectiveness of the MSP mechanism is limited due to inadequate awareness, insufficient procurement infrastructure, and weak enforcement at the grassroots level. Consequently, many tribal communities continue to rely on middlemen, undermining the intended benefits of the scheme.

5. Gap Between Law and Reality

Despite the existence of robust legal protections, the ground reality presents a different picture. The gap between law and implementation is evident in several areas:

Weak enforcement mechanisms:

One of the primary issues is the presence of weak enforcement mechanisms. Although various laws and policies are in place to regulate trade practices and prevent exploitation, the responsible authorities often fail to effectively monitor market transactions involving minor forest produce. The absence of regular inspections, lack of accountability among officials, and

of 2007, INDIA CODE.

¹¹ The Provisions of the Panchayats (Extension to Scheduled Areas) Act, 1996, No. 40 of 1996, INDIA CODE.

¹² Ministry of Tribal Affairs, Government of India, Minimum Support Price for Minor Forest Produce Scheme Guidelines.

inadequate grievance redressal systems enable middlemen and traders to continue exploitative practices with minimal fear of legal consequences. As a result, the intended protections remain largely theoretical rather than practical.

Lack of awareness:

Another significant concern is the lack of awareness among tribal communities regarding their legal rights and entitlements. Many tribal individuals are unaware of important legislations, government schemes, and price support mechanisms designed for their benefit. This informational deficit limits their ability to assert their rights, negotiate fair prices, or seek legal remedies in cases of exploitation. The situation is further aggravated by low literacy levels and limited access to legal aid or awareness programs in remote tribal areas.

Administrative inefficiencies:

The problem is compounded by administrative inefficiencies, which manifest in the form of bureaucratic delays, procedural complexities, and, in some cases, corruption. Implementation of schemes such as the Minimum Support Price (MSP) for minor forest produce often suffers due to delayed fund allocation, irregular procurement operations, and lack of coordination between different government agencies. These inefficiencies not only reduce the effectiveness of welfare measures but also erode the trust of tribal communities in public institutions.

Limited institutional support:

Furthermore, there is a noticeable lack of institutional support systems, such as functional cooperatives, self-help groups, and accessible procurement centers. In many tribal regions, these institutions either do not exist or are inadequately equipped to serve their purpose. The absence of such support structures forces tribal producers to rely on informal and often exploitative market channels. Even where cooperatives are established, they frequently suffer from poor management, lack of financial resources, and limited outreach.

This gap undermines the purpose of legal protections and perpetuates economic injustice.

6. Human Rights Perspective

The denial of fair remuneration is not merely an economic issue; it is a human rights concern. The right to livelihood is an integral part of the right to life under Article 21.¹³ When tribal

¹³ INDIA CONST. art. 21.

communities are denied fair value for their products, their ability to lead a dignified life is compromised.

Furthermore, international human rights standards emphasize the protection of indigenous peoples' economic rights. The exploitation of tribal communities in market transactions violates principles of equality, justice, and dignity.

7. Role of the State and Policy Failures

The State plays a crucial role in ensuring fair remuneration. However, several policy failures have been identified:

- Inadequate implementation of MSP schemes
- Failure to establish effective procurement centers
- Insufficient support for tribal cooperatives
- Lack of training and awareness programs

These shortcomings highlight the need for a more proactive and accountable governance approach.

8. Recommendations and Suggestions

To effectively address the persistent issue of denial of fair remuneration to tribal communities, a multi-dimensional approach involving legal reforms, institutional strengthening, and socio-economic empowerment is essential. The following measures are proposed:

8.1 Strengthening Market Access

The denial of fair remuneration to tribal communities is not merely an economic concern but a serious constitutional and human rights issue that directly affects their right to live with dignity. Any meaningful solution must therefore be grounded in both policy reform and constitutional principles. In this context, strengthening market access becomes crucial, as the absence of direct market linkages compels tribal communities to depend on intermediaries who often exploit them by offering undervalued prices for their products. This situation infringes upon the right to livelihood, which has been recognized as an integral component of the right to life under Article 21 of the Constitution of India.¹⁴ The Supreme Court in *Olga Tellis v. Bombay Municipal Corporation* affirmed that deprivation of livelihood amounts to a violation of Article

¹⁴INDIA CONST. art. 21.

21¹⁵. Therefore, ensuring the establishment of direct tribal markets, promoting e-commerce platforms, and improving infrastructure such as transportation and storage facilities are not merely developmental measures but constitutional necessities.

8.2 Effective Implementation of MSP

Equally important is the effective implementation of Minimum Support Price (MSP) schemes for minor forest produce, which are intended to safeguard tribal communities from economic exploitation. Despite the existence of such schemes, their benefits often fail to reach the grassroots level due to lack of awareness and administrative inefficiencies. The State is constitutionally obligated under Article 46 of the Constitution of India to promote the economic interests of Scheduled Tribes and protect them from exploitation.¹⁶ The principle of protective discrimination, as upheld in *State of Kerala v. N.M. Thomas*, further reinforces this obligation.¹⁷ Consequently, the establishment of procurement centers in tribal areas, coupled with awareness campaigns in local languages, becomes essential to ensure that MSP schemes function effectively and fulfill their intended purpose.

8.3 Promotion of Cooperatives

The promotion of cooperatives is another significant step toward empowering tribal communities economically. Individual tribal producers often lack bargaining power, making them vulnerable to unfair trade practices. The formation of cooperatives and self-help groups enables collective bargaining, thereby ensuring better pricing and reducing dependence on middlemen. This approach finds support in Article 19(1)(c) of the Constitution of India, which guarantees the right to form associations and unions.¹⁸ The Supreme Court in *Damyanti Naranga v. Union of India* recognized that this right includes the autonomy of such associations.¹⁹ Hence, providing financial and technical support to tribal cooperatives aligns with both constitutional rights and socio-economic justice.

8.4 Legal Awareness Programs

In addition to economic measures, legal awareness plays a pivotal role in enabling tribal communities to assert their rights. A lack of knowledge regarding legal protections often

¹⁵ *Olga Tellis v. Bombay Municipal Corporation*, (1985) 3 SCC 545 (India).

¹⁶ INDIA CONST. art. 46.

¹⁷ *State of Kerala v. N. M. Thomas*, (1976) 2 S.C.C. 310 (India).

¹⁸ INDIA CONST. art. 19, cl. 1(c).

¹⁹ *Damyanti Naranga v. Union of India*, (1971) 1 S.C.R. 903 (India).

prevents them from accessing benefits under laws such as the Forest Rights Act and PESA. The constitutional mandate under Article 39A of the Constitution of India requires the State to ensure equal access to justice and provide free legal aid.²⁰ This principle was strongly emphasized in *Hussainara Khatoon v. State of Bihar*, where the Court held that legal aid is an essential component of Article 21.²¹ Therefore, conducting legal awareness programs and establishing legal aid services in tribal areas are necessary to bridge the gap between law and its implementation.

8.5 Institutional Accountability

Furthermore, ensuring institutional accountability is vital for the effective implementation of welfare schemes. Weak monitoring mechanisms and lack of transparency often lead to corruption and inefficiency, thereby depriving tribal communities of their rightful benefits. The importance of transparency and accountability in governance was highlighted in *Vineet Narain v. Union of India*, where the Supreme Court stressed the need for fair and effective institutional mechanisms.²² Strengthening monitoring systems, ensuring transparency in procurement and fund allocation, and establishing grievance redressal mechanisms are therefore essential to uphold the rule of law and protect tribal interests.

8.6 Capacity Building

Finally, capacity building is crucial for achieving long-term economic empowerment of tribal communities. Providing training in value addition, storage, processing, and marketing of forest produce can significantly enhance their income and reduce dependence on exploitative market structures. This approach is supported by Article 41 of the Constitution of India, which encourages the State to promote the right to work and economic security.²³ In *Bandhua Mukti Morcha v. Union of India*, the Supreme Court emphasized the State's duty to ensure dignified living conditions for marginalized communities.²⁴ Thus, capacity-building initiatives not only contribute to economic development but also fulfill the broader constitutional vision of social justice

²⁰ INDIA CONST. art. 39A.

²¹ *Hussainara Khatoon v. State of Bihar*, (1980) 1 S.C.C. 81 (India).

²² *Vineet Narain v. Union of India*, (1998) 1 S.C.C. 226 (India).

²³ INDIA CONST. art. 41.

²⁴ *Bandhua Mukti Morcha v. Union of India*, (1984) 3 S.C.C. 161 (India).

9. Conclusion

The denial of fair remuneration to tribal communities is a complex issue rooted in socio-economic inequalities and governance failures. Despite the existence of constitutional and statutory safeguards, the persistent gap between law and practice continues to disadvantage tribal populations.

Ensuring fair pricing for tribal produce is essential not only for economic justice but also for upholding fundamental rights. A comprehensive approach involving legal reforms, policy interventions, and community empowerment is necessary to address this issue effectively.

Ultimately, the true measure of development lies in the inclusion and upliftment of marginalized communities. Guaranteeing fair remuneration to tribal communities is a crucial step towards achieving social justice and constitutional goals.

