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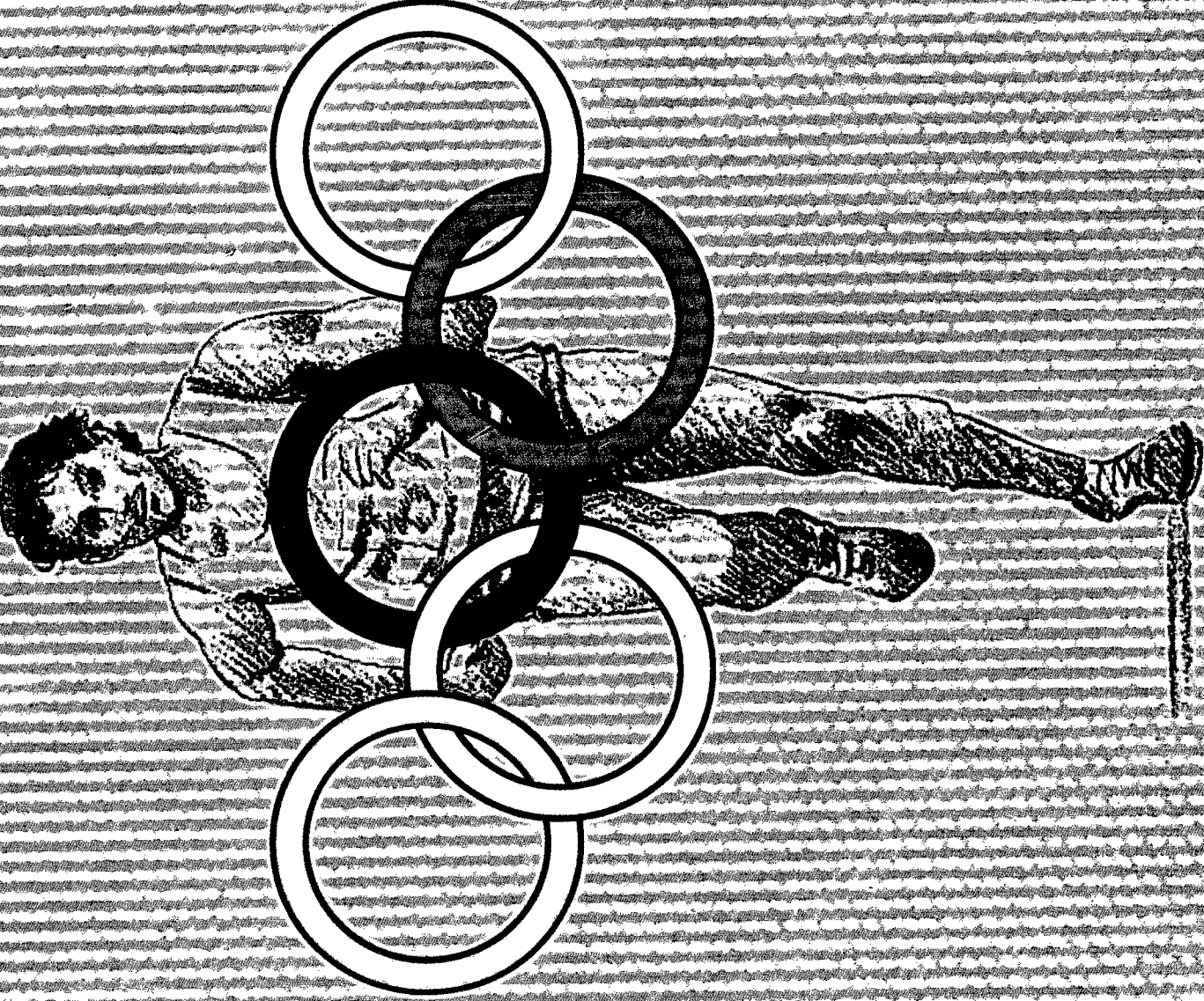
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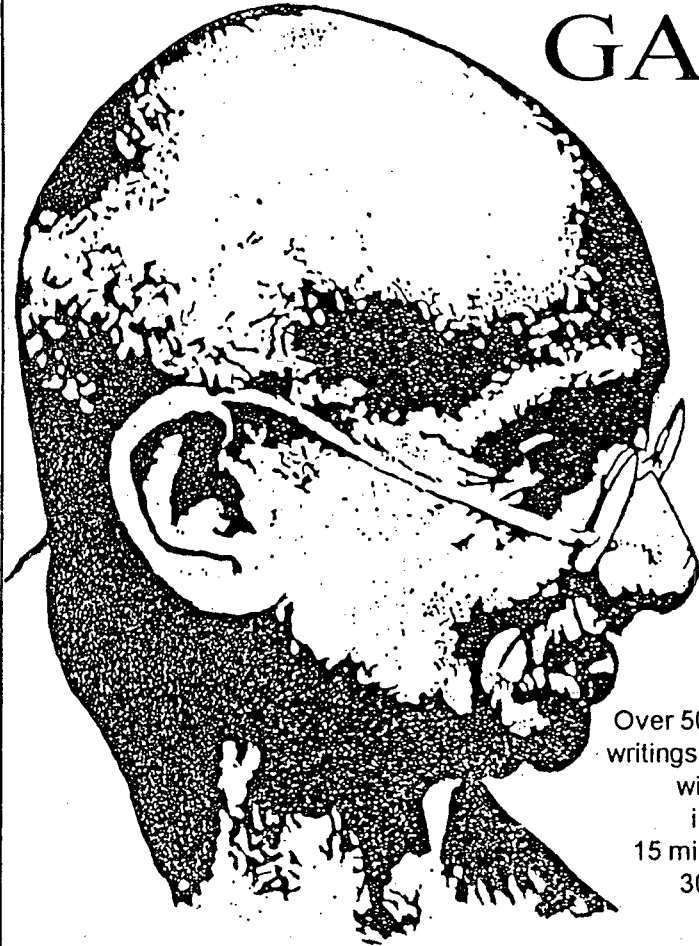
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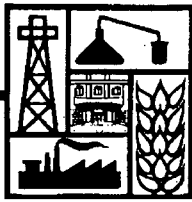
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- 5 FIRST OLYMPIAD OF THE NEW MILLENNIUM  
D.K. Bharadwaj
- 8 PLANNING FOR AGRICULTURE : CHALLENGES AND OPPORTUNITIES  
K.C. Pant
- 11 HUMAN DEVELOPMENT REPORT : NEW INDEX OF POVERTY  
Mahesh Prasad
- 14 EXPORT ORIENTATION FOR SMALL AND MEDIUM ENTERPRISES  
B.D. Jethra
- 17 INTEGRATIVE RURAL BANKING  
D.M. Nanjundappa
- 24 TRADE IN SERVICES : OPPORTUNITIES AND CONSTRAINTS  
Prithwis K. De
- 28 SYNDROME OF POVERTY AND POPULATION EXPLOSION IN INDIA  
Shekhar Mukherji
- 33 KNOWLEDGE WORKERS  
M.P. Srivastava
- 38 HIGH DENSITY ORCHARDING IN FRUIT CROPS  
Bikash Das and A.K. Sureja
- 40 CHILD LABOUR —CHALLENGES AHEAD  
Jayantilal Bhandari
- 42 POLIO ERADICATION : THE COUNTDOWN BEGINS  
C.A. Sivaraman
- 47 EMPOWERING WOMEN  
Sakuntala Narasimhan
- 50 BOOK REVIEW

# Concerned About Forests? Contribute towards Forest Policy

**M**adhya Pradesh is the largest forest state of India. Almost 35% of its land is covered with forests which forms 20% of the total forests in India. The forests of Madhya Pradesh command a special environmental significance due to the very geographical location of the state in the country. Also, the state provides the watershed for 5 major rivers of India. No wonder then, that M.P. is rightfully called the 'Guardian State of India.' Forests of the State are enormously prosperous in biodiversity. Almost 22% of the tiger population of India resides securely in the forests of Madhya Pradesh, which is therefore, proudly acclaimed as the 'Tiger State'. These forests guard the environment, nourish the river systems and are a source of sustainable livelihood for millions of forest dwellers.

The Madhya Pradesh Government has acknowledged and accepted the Joint Forest Management system for protection and augmentation of forests. The State has constituted nearly 12,000 forest committees which are vigilantly guarding nearly 60,000 sq. kms of forests.

However, 40% of the State's forests are degraded because of the immense biotic pressure and 'forest insensitive' development schemes.

For the protection, and enrichment of the sensitive and rich heritage that is forests, the State of M.P. now contemplates to formulate a forest policy with the help of forest dwellers. The execution of this policy is expected to usher in conservation and augmentation of the forest resource on one hand and sustainable economic and social development of forest dependent people, on the other. This policy would be the one which would enable the State to harvest the forest produce on sustainable basis and through which, the forest produce would be essentially processed and value added allowing the growth and prosperity of cottage industry. It would thus be a harbinger of maximum benefits to the people.

With a view to acquiring the best of ideas from the aware, enlightened and, concerned citizens the Madhya Pradesh Forest Department solicits views about the State Forest Policy and on the ways of implementing it. Your views/expressions are kindly invited at the following address :-

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# First Olympiad of New Millennium

D.K. Bharadwaj

**T**HE MYSTIQUE OF Olympism will be unfolded in its full range, when the first Olympic Games of the new millennium are opened at Sydney, the port capital of New South Wales state and the site of the first European settlement in Australia, on Friday, September 15, 2000. The ideal of universal brotherhood and the motto of achieving excellence, by being faster, higher and stronger, the twin Olympic objectives, will mark this fairytale event. Australia was the first country in the Southern Hemisphere to host this event when it staged the 16th Olympics at Melbourne in 1956; now 44 years later it is hosting the fabulous multi-sports festival on a much bigger scale with the state-of-the-art facilities at the disposal of the competitors as well as media persons. The soul-stirring emotional closing ceremony will be held on Sunday, October 1, 2000.

It may be recalled that Melbourne had attracted about 3340 sports persons from 71 countries who had competed in 17 sports. In contrast, Sydney is hosting over 10,000 competitors from nearly 200 countries who would be vying for golden success in record 296 events in 28 sports including taekwondo and triathlon, the two new disciplines. For the first time, the women competitors will show their prowess in such sports as modern pentathlon, water polo and weightlifting, while triathlon is exclusively for women. The 28 disciplines are: archery, athletics,

aquatics (swimming, synchronised swimming, diving, water polo), badminton, baseball, basketball, boxing, canoeing/kayaking, cycling, equestrian, fencing, football, gymnastics, handball, hockey, judo, modern pentathlon; rowing, shooting, softball, table tennis, tennis, volleyball, weightlifting, wrestling, yachting, triathlon and taekwondo.

The hosts usually have two ambitions: to make the Games a grand success organisationally and to grab maximum number of medals. Australia too is no exception. As the host, Australia has left no stones unturned to make the Sydney 2000 an unforgettable experience. Since the day Sydney was awarded the 27th Olympic Games in September 1993, the Australians worked tirelessly to build the quality infrastructure along with the auxiliary systems well in time. The Sydney Organising Committee for the Olympic Games (SOCOG) with its vast army of regular employees, volunteers and contract staff totalling over one lakh produced the desired results in the form of the Sydney Olympic Park, Stadium Australia, Olympic Park Station, Aquatic Centre, Athletes' Village, Press Village etc. Stadium Australia is the venue of the opening and closing ceremonies, track and field events as well as the soccer final.

## Enviably Tradition

Steeped in sports culture, Australia is a sporting powerhouse among the Commonwealth countries. Small in population (18.4 million) and big in area (7,682,300 square km), Australia is a multi-cultural society with a huge chunk of first or second generation immigrants. Though small in number (160,000), aborigines form a vital segment of the Australian society. Several aborigines excelled in sports at the international level. Notable among them are Evonne Goolagong (former two-time Wimbledon champion), Cathy Freeman (silver

*The ideal of universal brotherhood and the motto of achieving excellence, by being faster, higher and stronger will mark this fairy tale event.*

Mr D.K. Bharadwaj is a noted Sports Journalist.

medalist in the Atlanta Games in 400 M) and Nova Peris-Kneebone (member of the gold medal winning Australian women hockey team at the Atlanta Games).

Australia rightly boasts of an enviable tradition in sports. It has produced a number of outstanding players in various games over the years. With vast areas easily available for playgrounds, the Australians take their sports seriously and promote them systematically. They have always been a force to reckon with in games like cricket and tennis. And now they excel in field hockey too. Don Bradman (cricket), Rod Laver (tennis), Walter Lindrum (billiards), Herb Elliott (athletics), Dawn Fraser (swimming), Geoff Hunt (squash), Peter Thompson (golf) are some of their sporting icons.

Against this encouraging backdrop, it would not be unrealistic if the hosts aim to finish among the top three nations in the final medals tally. In the Melbourne Games in 1956, Australia was placed third with 13 gold, 8 silver and 13 bronze medals. If it moves up to a higher position in the Sydney Games, it would be simply an astounding performance. Though the hosts do enjoy the home advantage, no host except the USA in the Los Angeles (1984) and the Atlanta Games (1996) and the USSR in the Moscow Games (1980) could top the medals table since 1948. However, despite the presence of such powerhouses as the US, Russia and Germany in the fray, the Australians are determined to perform creditably.

### **Mascots and Coins**

With a view to lending colour to the Games and earning precious revenue, the organisers usually choose and market innovative mascots and artistic coins. The organisers of the Sydney-2000 are no different in this matter. Pursuant to their policy of promoting what is unique and not what is familiar,

they selected their three lesser-known native animals as mascots ignoring the famed Kangaroo and the Koala. The three mascots are called Syd, Millie and Olly. Syd is a platypus, Millie is a spiny anteater and Olly is a kookaburra. The platypus is a unique Australian mammal with the beak of a duck, the body of an otter and the tail of a beaver. Millie, the anteater is covered with sharp spines and has a long tongue to catch ants and termites. The kookaburra is a bird with human-

**The organisers are also marketing a series of commemorative coins in gold, silver and bronze. The 24-carat 10 gm gold coins are in the denomination of \$A 100 each.**

like laughter. Syd represents Sydney as well as water, Millie is symbolic of the new millennium and the earth, while Olly depicts the Olympics and the sky and air.

The organisers are also marketing a series of commemorative coins in gold, silver and bronze. The 24-carat 10 gm gold coins are in the denomination of \$A 100 each. The silver coins are available in two design series of eight coins each weighing 31.3 gms, while the bronze coins are minted in an alloy of aluminium and zinc in a set of 28 coins each coin representing one of the 28 disciplines being contested at the Games. Each bronze coin weighs 20 gms. But a collector's special item is a big one-kilogram silver coin with a 100 mm diameter. Described as the "coin of the century", the huge coin links together all the 28 Sydney 2000 disciplines in a single montage.

### **Marketing Efforts**

Hosting the Olympics is no joke as the gigantic task involves not only

technical complexities but also ingenious planning, hard labour, dedicated execution and above all the mind-boggling expenditure. As per a rough estimate, the Sydney Games would cost the organisers around \$A three billion. Such a huge expenditure brings to one's mind the nightmare of the economic disaster which Montreal city had to face after the initial euphoria of the 1976 Games was over. This harsh reality has kept the organisers on their constant guard. They have made every possible endeavour to boost the revenue through TV rights, multi-national sponsors, sale of tickets and marketing of the Olympic merchandise. Only time will tell how far they have succeeded in their efforts. One thing, however, is certain that the tourist inflow would certainly benefit Australia economically, particularly Sydney hoteliers.

Though India has been taking part in the Olympic Games regularly since 1920, its success in the medals is limited to hockey only. In fact, India has won the hockey gold eight times in the Olympic Games, six times successively beginning from the Amsterdam Games in 1928 to the Melbourne Games in 1956. In addition, India has bagged one silver and two bronze medals in the Olympic hockey competition. From the remaining sports, India could get only two bronzes; one each from wrestling and tennis. In the Helsinki Games (1952), the bantamweight wrestler Khashaba Jadhav had won a bronze, while the second bronze was captured by the tennis ace Leander Paes in the last Games held at Atlanta in 1996.

### **Unlucky**

However, it may be recalled that India had figured in the medals tally as early as the second Games held at Paris in 1900, when a Calcutta-based Anglo-Indian athlete Norman G. Pritchard won a silver medal in the 200 M sprint and finished fifth in the 110

M hurdles. These are the only successes India has had in athletics in the Olympics. But there have been scintillating, though heartbreaking, performances by some unlucky Indian athletes who narrowly missed an Olympic medal. The young triple jumper Henry Rebello missed a certain medal in his pet event due to an unfortunate injury at the London Games in 1948. The "Flying Sikh" Milkha Singh gave a sparkling performance in the 400 M race at the 1960 Rome Olympics, when he finished a highly creditable fourth. At the Tokyo Games in 1964, talented Gurbachan Singh Randhwa came fifth in the 110 M hurdles. The 1976 Montreal Games saw the Indian middle-distance runner Sriram Singh at his best in the 800 m race, when he made a superlative effort to enter the final. "The Payyoli Express" P.T. Usha missed the bronze by one-hundredth of a second in the 400 M hurdles in the Los Angeles Games (1984), when she was placed fourth in a photo-finish. These inspiring tales are now a part of the Indian sports lore.

### Medal Prospects

However, India's medal prospects in the Sydney 2000 are not at all encouraging. Once again, our main hope is hockey, though the competition in this team event is going to be extremely tough and explosive. India is placed in Pool "B" of the men's hockey event alongside the host Australia, South Korea, Spain, Argentina and Poland. Pool "A" comprises Germany, the Netherlands, Britain, Pakistan, Canada and Malaysia. There is a good chance of a medal in one men's doubles event in tennis too, if India's top doubles team of Leander Paes and Mahesh Bhupathi is fully fit and willing, but that is a big "if" in view of what has happened during the last several months. There is also some hope of a medal in the women's weightlifting competition, if India's all the three top

lifters Sanamacha Chauhan, Kunjarani Devi and Karnam Malleswari are sent to Sydney and if the veterans Kunjarani and Malleswari are able to reduce their body weights in time. Again, it is a big "if". India's chances in other sports such as athletics, badminton, boxing, table tennis, rowing, shooting and wrestling are almost negligible barring a pleasant surprise.

### Formidable Bid

There is no doubt that the host Australia will make a formidable bid to capture a sizeable number of golds, but the task ahead is not easy as the competition will be fierce in all the disciplines. Forty-four years ago in the Melbourne Games, the swimmers had won 8 golds for Australia, out of its final tally of 13 golds. This time too, Australia is hoping to win a large number of golds from the swimming events. Its world-class male swimmers like Ian Thorpe, Grant Hackett, Michael Klim, Kieren Perkins, Simon Cowly and among women Susan O'Neill and Dyana Calub are expected to win about 8-10 gold medals. Anything less than this will be a big disappointment to the hosts. Apart from golds in hockey and men's doubles event in tennis, reigning Olympic champions like Russel Mark and Michael Diamond in shooting, Cathy Freeman in 400 M and Emma Carney in triathlon are some of the main golden hopes for Australia. Equestrian, yachting, rowing and cycling are the other disciplines in which Australians are likely to perform well.

The USA, Russia and Germany are traditional sporting powerhouses and the battle for medal supremacy should be confined chiefly among them. This time Australia too will be a strong contender for the top honours. China and South Korea will spearhead the Asian challenge. However, the supremacy of the United States in the Olympics is likely to continue at Sydney also as it has a number of

superstar athletes, brilliant swimmers, seasoned tennis players, champion boxers, top archers and a dream basketball team. Athletics and swimming are usually the two glamorous disciplines which provide the lion's share of gold medals to the United States. At the Sydney Olympics also such American track and field superstars as Michael Johnson, Maurice Greene, Marion Jones and her husband Cottrel J. Hunter along with their invincible relay teams will help the United States to dominate the athletics competition. In aquatics, swimmers like Lenny Krayzelburg, Gary Hall Junior, Tom Wilkens, Tom Malchow, Jenny Thompson and Brooke Bennett will lead the formidable US challenge.

Among others, Aleksandr Popov of Russia, Penny Heyns of South Africa and Joanne Malar of Canada are also likely to make a big splash in the pool. Similarly in track events, Moroccan Hicham El Guerrouj, Ethiopian Haile Gebrselassie, Denmark's Kenyan-born Wilson Kipketer, Kenyan Bernard Barmassi and Romanian Gabriela Szobo are likely to dominate their pet events.

### New Heroes

Apart from the big three—the USA, Russia and Germany—and the host Australia, several countries including China, France, Italy, Cuba, Ukraine, South Korea, Poland and Hungary are expected to perform creditably. In the 1996 Atlanta Games, 271 gold medals at stake were captured by as many as 53 countries. The same story may repeat at Sydney as the 296 gold medals at stake would be shared by a large number of the participating countries. While there is no doubt that any established superstars will reaffirm their status at the Sydney 2000, it is equally certain that a number of new heroes will emerge from the first Olympics of the new millennium. □

# Planning for Agriculture: Challenges and Opportunities

K.C. Pant

*It is high time that India takes stock of all available technologies and devises ways of using them for foodgrains and other crop production. This not only calls for extensive exploration of alternative possibilities but also requires an immediate long term technology plan for Indian agriculture.*

**O**F ALL THE achievements recorded in our post-Independence economic history, the one in which we can take the most pride is the elimination of the scourge on famine from the face of our country. The achievement would never have been possible without the sterling contribution made by our agricultural scientists, and the technology transfer and dissemination mechanism established by the government in the early years.

I need hardly emphasise the role that research and development in agriculture plays in the process of accelerating growth, removing poverty or ensuring significant improvement in the living standards of our people.

Our country has still to overcome the problem of poverty. Today an estimated 350 million out of one billion people fall below the poverty line. More than 60% of the population is still dependent on agriculture for its livelihood and employment. The major issue of concern is that although the share of agriculture in the national income has come down rapidly, the proportion of the population dependent on the agricultural sector has changed only marginally. Providing gainful employment opportunities for the rural population in the agricultural sector will be an uphill task in a scenario where land

holdings are small and continuously shrinking, and the pressure on land keeps increasing. This calls for vigorous efforts to create sustainable employment avenues for the rural population, especially the rural poor.

Due to innovative planning, well-focused agriculture research and growth oriented policies, we have become a self-sufficient and food secure nation. Foodgrains production went up from 82 million tonnes in 1960-61 to a record level of 203 million tonnes last year, with an annual buffer stock ranging from 20 to 30 million tonnes during the nineties. Our agricultural performance has been globally acclaimed for ensuring that growth in foodgrains production remained consistently higher than growth in population. The performance of the oilseeds, commercial crops and livestock sectors was also remarkable. Oilseeds production increased from 7 million tonnes in 1960-61 to 25 million tonnes in 1999. Sugarcane production has gone up to nearly 300 million tonnes from 110 million tonnes in 1960-61. There has been a quantum jump in potato production from less than 3 million tonnes to 23 million tonnes. Likewise, milk production has gone up sharply from 20 million tonne to 75 million tonnes.

Thus, despite rising population, per capita foodgrains availability has increased from less than 400 gms per day in 1950-51 to 510 gms in 1997. Per capita milk availability has also increased from 125 gms per day to 204 gms. These are no mean achievements, and we can take justifiable pride in them.

These successes provide reasonable grounds for hope and confidence that our agricultural experts will measure up to the challenges that lie ahead.

However, we should recognize that the task our agricultural scientists have to tackle may be even more complex and

The article is based on the address given by the Deputy Chairman, Planning Commission, Mr. K.C. Pant, on the occasion of the fifth foundation day of the National Academy of Agricultural Sciences in New Delhi in June, 2000.

difficult than what they faced in the past. The most important challenge before us is to ensure adequate and sustained increase in food production to meet the nutritional needs of a growing, healthier population. Our population has just crossed the one billion mark, and experts have projected that we would be overtaking China by 2035 as the world's most populous country. To feed this growing population, an additional 5-6 million tonnes of foodgrains will need to be produced annually. In addition, we have to recognise that balanced nutrition, which is essential for the health of our people, demands the consumption of a wide array of food stuffs. These too must be provided without compromising on the provision of the basic caloric requirements. All this will have to be done in a context which is less favourable than it used to be.

To begin with, we need to recognise that the scope for expansion of area available for cultivation is limited. In fact, there is a possibility that cultivable area may shrink somewhat. Environmental considerations, which are just as important for the well-being of our people, demand that area under forest cover be increased from the dangerously low levels that it has reached. Demands of urbanisation and industry too will eat into our cultivable land, though we should keep this to the minimum. These are imperatives that we cannot ignore. To complicate matters, the past sources of agricultural growth have also been almost saturated. For example, high yielding varieties have already spread to more than three-fourth of the area under rice and to more than 90 percent of the area under wheat. In such a scenario, the question of how to increase our agricultural production takes on an added urgency.

A larger share of growth in the agricultural sector can come from rainfed regions if region-specific

innovative planning is done and appropriate policies are pursued. Rainfed agriculture today supports about 40% of the population and 75% of the poor in the country. Currently, it contributes nearly 45% of the foodgrains production in the national food basket. Rainfed regions need protected irrigation for increasing agricultural production and crop

**The planning process in the 21st century should take full advantage of the reach and enormous potential of information technology for rapid information dissemination in the rural areas.**

intensification. This can be achieved through improved rainwater harvesting management techniques. Promotion of improved water management practices, use of sprinkler and drip irrigation, and farmers' participation in irrigation management need due recognition in the planning process. Government is already giving considerable attention to rainfed agriculture, and resources have been allocated for watershed development through various approaches, ranging from the traditional to the modern. Increasing agricultural production in rainfed regions will not only increase total agricultural production but also generate employment opportunities for the rural poor and also check degradation of soil and water resources. To achieve these goals, region-specific planning would be required due to the wide range of agro-ecological variability that exists in our country.

While our past effort have undoubtedly contributed to the overall growth process, region-specific

planning would also be necessary to tackle regional disparities in agricultural productivity and income which have increased perceptibly, and the gulf between developed and underdeveloped regions which has widened. Whereas the northern and western regions have performed remarkably well, the eastern and northeastern regions have lagged behind in agricultural development. For example, the yield of rice in eastern states is still only half of what has already been achieved in the northern regions. In some of the eastern states, the current yield levels of rice are as low as what Punjab achieved in the early 1970s. It may well be that in the past, higher priority was given to the better-endowed regions with the expectation that the spillover effect would carry the benefits to the other regions. However, we need to recognise that this has not happened.

As a result of this unbalanced regional development and widening disparities, a large number of rural poor have been forced to migrate to developed regions and urban areas in search of job. Mitigating and eventually bridging regional imbalances through increased agricultural productivity and creation of more productive job opportunities must be high on the priority list of agricultural planners during the twenty first century.

Fortunately, the eastern and northeastern regions have large untapped ground water reservoirs. These regions are endowed with enough natural resources, but the production levels are low. Systematic efforts to harness the potential of these regions for agricultural development and growth should form an important component of our strategy for this sector. However, these regions are lagging behind in infrastructure development. Investment in ground water development, electrification,

markets and roads would yield high private as well as social dividends. Many of the improved science-based agricultural technologies have not reached these region due to poor infrastructure facilities, and this would need to be remedied expeditiously.

There is a need to improve the information stock of the farmers in such regions. In fact, the extension service network needs to be strengthened in all regions. It should be fully supported by a strong service sector, which would ensure timely supply of required inputs to increase agricultural productivity. The planning process in the 21st century should take full advantage of the reach and enormous potential of information technology for rapid information dissemination in the rural areas.

In the past, diversification of agriculture was not given due attention. There are ample opportunities for diversification of agriculture through development of livestock, horticulture and fisheries. The livestock sector has immense potential for complementing and accelerating the growth of the agriculture sector. The productivity of our livestock sector, in terms of milk, meat, wool, and eggs, is the lowest in the world. Though we are the largest producer of milk, we are far behind many developed countries in terms of productivity and per capita availability of milk. The fishery sector has remained underdeveloped. There is ample scope to increase inland fish production. We have about 14 lakh hectares of brackish water area suitable for production of shrimps. Hardly 10% of this area has been utilized for production purposes. These sectors would have to grow in the 21st century and contribute significantly to the economic growth of the nation. These sectors can also provide considerable employment opportunities, especially to small and marginal farmers and landless

labourers. Our planning process should take greater cognizance of these sectors for achieving value-addition, and thereby raising incomes and generating employment opportunities in the rural areas.

There is also the issue of environmentally sustainable agricultural development. In the past, excessive focus on intensive agricultural growth has resulted in degradation of natural resources. The Green Revolution of the mid-1960s could have also contributed to the over-exploitation of natural resources. To an extent, this exploitation and mismanagement of natural resources was induced by an under-estimation

### **Conserving natural resource to meet the current and future requirements of the growing population would be the biggest challenge in the 21st century.**

of the capacity of our farmers, and made worse by over-enthusiastic populism. For example, high subsidy on canal waters, electricity, nitrogenous fertilizer, among others, induced farmers to overexploit soil and water resources without recognising the dangers inherent in such behavior. Problems of soil salinity, waterlogging, declining water table, deteriorating water quality, nutrient mining and acidification of soils are often reported in those regions which witnessed the green revolution. On the other hand, the regions, which are still operating at subsistence levels, are experiencing large scale degradation in the form of soil erosion, nutrient mining, deforestation and desertification due to the low investment capacity of the farming community and inadequate

focus by the government.

The cumulative effect of degradation of natural resources has led to deceleration of agricultural growth. Conserving natural resources to meet the current and future requirements of the growing population would be the biggest challenge in the 21st century. Sustainable agricultural production calls for effective planning and environment-friendly technologies and policies.

Declining public investment in agriculture is another area of concern. During the early-1980s, about 9% of the net domestic product was ploughed back for capital formation in agriculture, which has come down to only 5% during the 1990s. This trend needs to be reversed to avoid the potential adverse effect on agricultural growth and regional performance. Inadequate public investment in the rural infrastructure is also a major challenge. The planning process has been laying emphasis on development of irrigation, roads and transport facilities, credit institutions, markets, warehousing and cold storage facilities, electrification, etc., but considering the vast geographical dimensions of the country and the order of investment required, the existing allocations are relatively scanty and inadequate. The resolution of this problem calls for considerably greater private sector involvement and partnership in infrastructure development and the processing industry. Any policy and procedural hurdles in encouraging greater private sector participation will have to be identified and removed with a sense of urgency.

The domestic and international economic environment is changing rapidly since the early 1990s. Agricultural and food subsidies have

*(Contd. on Page 37)*

# New Index of Poverty

Mahesh Prasad

*The HDI emphasises eradication of poverty and related deficiencies in services need global effort. Two areas which can help promote employment on a massive scale are construction of roads and highways, as also house construction.*

**T**HIS YEAR'S HUMAN Development Report (HDR) of the United Nations Development Programme (UNDP) links poverty to denial of basic human rights, thus going far ahead of its earlier conceptions of poverty, the Human Development Index (HDI) and Capability Poverty Measure (CPM). "Human rights and human development share a common vision and common purpose—to secure the freedom, well-being and dignity of all people everywhere," HDR says. "Poverty eradication is not only a development goal—it is a central challenge for human rights in the 21st century," it adds.

The report says "Human development focuses on expanding capabilities important for all people, capabilities so basic that their lack forecloses other choices. Human poverty focuses on the lack of these same capabilities—to live a long, healthy and creative life, to be knowledgeable, to enjoy a decent standard of living, dignity, self-respect and the respect of others."

Thus, within a decade, we have moved dramatically from the earlier calorie intake measure of poverty and the UNDP introduced the concept of HDI, which went beyond the concept of income poverty to understand the extent and nature of poverty. Instead of examining the average state of human capabilities as in the Human Development Index, CPM, the subsequent measure of poverty, conceived by UNDP, reflected the percentage of people who lack basic or minimal essential human

capabilities, which are both ends in themselves and are needed to lift the poor from income poverty to sustainable human development." Thus, CPM reflected the proportion of population below five years of age, who were underweight, the proportion of births unattended by trained health personnel and the rate of female illiteracy.

HDR 2000 would stop nothing short of securing for all peoples of the world the basic human rights, which alone could eradicate poverty from the earth. Giving an example of lack of basic human rights and poverty, the HDR quotes Amartya Sen as saying "In India famines were frequent during colonial rule—and Bengal famine killed 2-3 million people in 1943. Famines stopped abruptly after independence with the installation of a democratic form of government." "A democratic India", he is quoted as saying "has been able to pull back from the brink of famine because popular pressures—through the media, an active civil society and democratic multi-party political processes—do not allow government to remain inactive."

In further cites studies by Amartya Sen and others as showing that "no famine continued unabated in modern times in any country—poor or rich—with a democratic government and relatively a free press. Loud popular demands through political processes and the media pushed governments to act to stop famine and other social calamities." In India, HDR adds "a group defending the interests of tribal peoples and forest workers is using the right to information to demand better budget allocations.

Further, it quotes another author as saying "In India the right to access public documents and budget information has been important in demanding higher budget allocations for the disadvantaged in fighting

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corruption that takes scarce public resources away from poverty priorities. Representatives of tribal people and forest workers in Gujarat formed development initiatives for social action and human action—and questioned why there was little development in their local communities.”

Referring to “freedom from discrimination—by gender, race, ethnicity, national origin or religion”, HDR says “India reserves seats for women in local government institutions known as panchayats, challenging the traditional structures of policy-making.” In 1993 the federal government passed the Panchayat Raj Act, reserving 33 per cent of the three-tiered panchayats for women. The panchayat elections of 1998 showed that the reservation policy worked in most states: women won 33-40% of seats.”

It, however, also speaks about what it calls “the exclusion and marginalisation of minorities.” It says “the scale and extent of discrimination differ, but the histories of India, Israel, Nigeria, Russia, Spain, Sri Lanka, Turkey, Uganda, the United Kingdom, the United States, to name a few, show that minorities suffer serious discrimination.”

Having said all this, the HDR 2000, ranks India 128 amongst 174 countries for which it has released the latest computations of Human Development Index (HDI), based on basic human rights, which is different from earlier HDI. India’s HDI rank has, however, moved up by four points from 132 to 128. As against the Human Development Index (HDI), released a few years back, it ranks India above Pakistan (135), but below Myanmar (125). It is, however, well ahead of Bangladesh (146), Bhutan (142), Nepal (144), though behind its other South-Asian neighbours, namely Sri Lanka (84) and Maldives (89). China is ranked 99th, with most Asian

countries, too occupying much higher places, including South Korea (31), Singapore (24), Malaysia (61), Thailand (76), the Philippines (77) and Indonesia (109),

The countries to be rated among the top ten in the order are the highly industrialised Canada, Norway, the US, Australia, Iceland, Sweden, Belgium, the Netherlands, Japan and the UK, while the bottom ranks have been dominated essentially by sub-Saharan African nations led by Sierra Leone, followed by Niger, Burkina Faso, Ethiopia, Burundi, Guinea-Bissau, Mozambique, Chad, Central African Republic and Mali.

**The HDR 2000 ranks India 128 amongst 174 countries; it ranks India above Pakistan (135), but below Myanmar (125). The top ten in the order are the highly industrialised Canada, Norway, the US, Australia, Iceland, Sweden, Belgium, the Netherlands, Japan and the UK.**

India’s overall HDI has been assessed at 0.567 as against a maximum possible figure of one, which means a shortfall in human development of 43.7 per cent. This compares to Canada’s HDI value of 0.935, which implies a shortfall of 6.5 per cent. The increase in India’s ranking is mainly attributed to the rise in per capita GDP in terms of purchasing power parity (PPP) to US\$2, 077. India’s per capita GDP is, however, less than a third of the global average of \$6,526.

The new HDI places India’s life expectancy at birth to 62.9 years, adult literacy rate at 55.7 per cent and combined primary, secondary and tertiary enrolment ratio at 54 per cent.

As against this Sri Lanka’s life expectancy at birth is 73.3 years, adult literacy rate is 91.1, combined primary, secondary and tertiary gross enrolment ratio at 66 per cent and GDP per capita at US\$2,997. In the case of Malaysia, which ranks 61 in HDI, life expectancy at birth is 72.2, adult literacy rate 86.4, combined primary, secondary and tertiary gross enrolment at 65 per cent and GDP per capita at US\$8, 137.

In gender-related development index, India ranks 104, with a value of 0.554. Life expectancy at birth has been placed at 63.3 years in the case of females and 62.5 years in the case of males, adult literacy rate at 43.5 per cent in the case of females and 67.1 per cent in the case of males, combined primary, secondary and tertiary gross enrolment at 46 in the case of females and 61 in the case of males. Further, dealing with gender empowerment measure the report says women held 8.9 per cent seats in Parliament and had 20.5 per cent of female professional and technical positions.

In India, according to the report, only 19 per cent people had access to safe drinking water, 25 per cent to health services and 71 per cent to sanitation. Moreover, 53 per cent of its children were underweight at the age of 5. The poorest 20 per cent in the country had a share of 8.1 per cent in consumption and the richest 20 per cent 46.1 per cent.

Dealing with progress in survival rate, the report shows that in 1970-75, life expectancy at birth in India was 50.3 in 1970-75 and 62.6 in 1995-2000. Infant mortality rate per 1,000 live births was 130 in 1970 and 69 in 1998, under five mortality rate per thousand was 206 in 1970 and 105 in 1998 and people not expected to survive the age of sixty 29.7 per cent during 1995-2000.

More relevant to income poverty is what the report says about employment. It says “Employment in

the formal labour market has grown impressively in the past decade. In China 1987-96, employment increased 2.2 per cent a year — outpacing labour force growth at 1.5 per cent. The corresponding rates in India were 2.4 and 2.2.” It adds “Employment opportunities in developing countries have broadened through expansion of informal sector enterprises, micro finance and NGO activities.”

The report says “at least 150 million of the world’s workers were unemployed at the end of 1998, and as many as 900 million were under-employed. About 35 million people were unemployed in OECD countries alone. Insecure jobs have become a fact of life in many countries. In the United Kingdom in 1997, 25% of all jobs were part time. Informal sector employment has become dominant in many countries.” Unfortunately, the report does not give country-wise figures relating to unemployment, to employment of children, under-employment, employment in informal sector, etc. which would have been more relevant to a study of poverty.

The government appears to be conscious of the parameters, set out in the HDR 2000 while dealing with the scourge of poverty in the country. The Economic Survey 1999-2000 says “For eradication of poverty and unemployment the strategy is to (i) accelerate economic growth with stable prices, since there is evidence to show that rapid growth has strong poverty reducing effect; (ii) to focus on direct anti-poverty and employment programmes; and (ii) accord priority to government expenditure on social sectors.”

It says further “The Central government expenditure (Plan and Non-Plan) on social sectors (education, health and family welfare, water supply, sanitation, housing, rural development, social welfare, nutrition and minimum basic service as a ratio of total

expenditure rose from 9.4 per cent in 1993-94 to 11.4 per cent in 1999-2000 (BE). As a ratio to GDP at current market prices, the Central government expenditure on social services increased from 1.5 per cent in 1992 to 1.7 per cent in 1999-2000 (BE).”

The Survey adds “The Central plan outlay on major schemes of social as a percentage to GDP at current market prices increased from 1.09 per cent in 1993-94 to 1.12 per cent in 1999-2000 (BE). The Central outlay increased by 29.6 per cent in family welfare in 1999-2000 (BE) over 1999-2000 (RE), health by 24.3 per cent, welfare of weaker section by 22.1 per cent and women and child development by 16.4 per cent.”

**Employment in the formal labour market has grown impressively in the past decade. In China 1987-96, employment increased 2.2 per cent a year — outpacing labour force growth at 1.5 per cent. The corresponding rates in India were 2.4 and 2.2.**

Unfortunately, estimates of incidence of poverty are available only up to the year 1993-94, when it had declined from 54.9 per cent in 1973-74 to 36 per cent. In absolute numbers, however, the number of poor in the country remained more or less stable at around 320 million due to rise in population, according to the survey. The next large sample NSS survey of consumer expenditure has been on from July 1999 and collection of data will be completed by July 2000.

The Ninth Plan 1997-2002 also makes extensive references to poverty eradication. It says “Economic growth and employment opportunities in themselves may not be sufficient to

improve the living conditions of the poor. They need to be accompanied by measures to enhance the social and physical conditions of existence.” It adds “Primary education, primary health care, including the preventive and promotive, safe drinking water, nutrition and sanitation require heavy investment, which has to be provided out of public funds.” However, it adds “since the requirements of social infrastructure vary significantly across regions, greater decentralisation of decision-making than exist at present is desirable.”

HDR 2000 has no doubt put the problem in its correct perspective. Seen in this light, the problem India faces is gigantic. An increase of a few per cent in per capita GDP is hardly any indication that we are getting nearer to a solution of the problem. Experience shows that the bulk of the increase goes to the affluent classes. The problem the country faces in health care, sanitation, safe drinking water supply, gender equality are huge. The funds available with the government, which face a massive fiscal deficit are hardly enough and an increase in outlay by a few per cent over the years can help only in tinkering with the problem.

As the HDI 2000 emphasises eradication of poverty and related deficiencies in services need global effort. Two areas which can help promote employment on a massive scale are construction of roads and highways, as also house construction. Government again does not have adequate funds for it. Multinationals and other foreign companies are shy to enter the area for fear of low or negative profitability from toll expressways. Efforts would have to be directed to make the area attractive to them. Government is taking steps in this direction as also in attracting foreign investment in other areas. Only with global efforts can poverty be eradicated the world over. □

# Export Orientation for Small and Medium Enterprises

B.D. Jethra

*During the era of planned development, the entire stress was on production of goods and services for meeting the country's requirements and the exports were confined to incidental surpluses or imbalances in supply and demand. The entire philosophy will now have to undergo a sea-change.*

**T**HE SMALL SCALE industries (SSI) sector in India has, over the last five decades, played a significant part in building a strong and stable national economy. Today, it is producing more than 7,500 products accounting for almost 40 per cent of the total production of the manufacturing sector and 35 per cent of the total exports. It also acts as a nursery for promoting entrepreneurial talent and as a catalyser of industrial growth through a wide network of more than three million units in the country, accounting for about 95 per cent of the total industrial units in the country. It is one of the largest employers in the country, providing direct employment to an estimated over 17 million persons and thus meeting key objectives of providing employment, facilitating regional dispersal of industrial units and earning foreign exchange. The performance of the small scale sector during the decade of 1990s is given in Table - I.

The SSI sector in India is defined in terms of limits on investment in plant and machinery, excluding investment in land and buildings, testing equipment, anti-pollution measures etc. This limit has been gradually increased over the years, primarily to take into account the inflation and today it stands at Rs. 1 crore for small scale sector and Rs. 2.5 lakh for the tiny sector. For the services sector, the limit stands at

Rs. 5 lakh.

The small scale sector can broadly be divided into two sub-sectors :

- (i) Modern small scale industries
- (ii) Traditional industries

The modern small scale sector is akin to the large and medium industries sector in terms of technology in use, production facilities, labour intensity, capital intensity, etc. while the traditional industries include segments like handlooms, khadi & village industries, handicrafts, sericulture, coir, etc. These are generally artisan based, located mostly in rural or semi-urban areas, with only nominal investment in plant and machinery.

The SSI sector has been receiving special attention from the policy-makers in addressing its requirements of credit, marketing, technology, entrepreneurship development, fiscal and infrastructural support etc. It enjoys the status of priority sector for seeking financial assistance. Banks are required to provide 40 per cent of net bank credit to priority sector including agriculture, SSI and service sectors. Of the priority sector credit earmarked for the SSI sector, 40 per cent is required to be extended for units having an investment in plant and machinery up to Rs. 5 lakh and 20 per cent for units having an investment in between Rs. 5 lakh and Rs. 2.5 lakh. Borrowers belonging to the lower end of these categories have had the benefit of getting loans at concessional rates of interest. However, with the onset of banking sector reforms and deregulation of interest rates, availability of concessional finance to the sector is slowly drying up.

As is well-known, until 1991, the Indian economy was practically isolated from the world economy, with stress being on indigenous production of manufactured goods and the domestic industries being protected

**Table-I**  
**Performance of Small Scale Sector**

Year	No. of units (lakh nos.)	Production (Rs. Crores)		Employment (lakh nos.)	Exports (Rs. Crores) (at current prices)
		(at current prices)	(at constant prices) (1990-91)		
1990-91	19.48 (6.86)	1,55,340	1,55,340 (9.46)	125.30 (4.77)	9,664 (26.74)
1991-92	20.82 (6.88)	1,78,699	1,60,156 (3.10)	129.80 (3.59)	13,883 (43.65)
1992-93	22.46 (7.88)	2,09,300	1,69,125 (5.60)	134.06 (3.28)	17,785 (28.11)
1993-94	23.81 (6.01)	2,41,648	1,81,133 (7.10)	139.38 (3.97)	25,307 (42.29)
1994-95	25.71 (7.98)	2,93,990	1,99,427 (10.1)	146.56 (5.15)	29,068 (14.86)
1995-96	27.24 (5.95)	3,56,213	2,22,162 (11.40)	152.61 (4.13)	36,470 (25.50)
1996-97	28.57 (4.88)	4,12,636	2,47,311 (11.3)	160.00 (4.84)	39,249 (7.61)
1997-98	30.14 (5.5)	4,65,171	2,68,159 (8.43)	167.20 (4.5)	44,437 (13.21)
1998-99 (P)	31.21 (3.55)	5,27,515	2,88,807 (7.7)R	171.58(Pj) (2.62)	49,481 (11.35)

(P)—Provisional (Pj)—Projected R Revised

Figures in the brackets give the percentage increase over the previous year.

**Table-II**  
**Growth of SSI Exports since 1950-51**

Year	Total Exports	Exports from SSI Sector (Rs. Crores)	Percentage share
1951-52	716	Negligible	—
1952-53	660	Negligible	—
1971-72	1608	155	9.6
1976-77	5142	766	14.9
1981-82	7809	2071	26.5
1986-87	12567	3644	29.0
1991-92	44040	13883	31.5
1992-93	53688	17785	33.1
1993-94	69547	25307	36.4
1994-95	82674	29068	35.1
1995-96	106353	364709	34.2
1996-97	118817	39249	33.4
1997-98	126286	44442	35.2
1998-99(E)	141604	49481*	34.9

\* Subject to change based on final figures emerging from Export Promotion Councils

from both internal and external competition. The protection from internal competition was through a system of licensing and controls and that from external competition through restrictions on imports as well as high tariff barriers. In this background, the entire industrial sector became inward-looking, with hardly any attention being paid to exports. While building up a highly diversified industrial structure, it resulted in inadequate attention to upgradation of products and process technologies, R & D and cost reduction, resulting in lack of competitiveness. This was responsible for a gradual reduction in India's share of world trade from almost 2 per cent at the time of independence to about 0.6 per cent in 1991.

### Good Response

Since 1991, the economy is gradually being opened up and integrated with the global economy and the stress is on qualitative upgradation of the industrial structure and improving international competitiveness of manufactured goods and services. The small scale sector has also responded well to the challenge of opening up of the economy and in fact, its rate of growth has generally been two to three percentage points higher than the industrial sector as a whole. The government has been taking measures to promote growth and development of small scale enterprises. This includes provision of infrastructural facilities, reservation of products for exclusive manufacture in the small scale sector, preference in the allocation of credit through inclusion in priority sector for lending purposes, excise duty concessions, provision of raw materials, marketing support, facilities for technology up-gradation etc. All policies meant to give a boost to the exports are also applicable to the small scale sector. These include :

**Table-III**

Product group	Total exports		Share of SSI sector		Percentage share of SSI sector	
	1992-93	1997-98	1992-93	1997-98	1992-93	1997-98
<b>Non-Traditional Products</b>						
Engineering Goods including electrical and electronics	6450	16376	1950	4400	30.23	26.86
Basic Chemicals, Pharmaceutical, Cosmetics	3623	10838	1992	6502	55.00	59.99
Chemicals & Allied Products	4299	8574	119	480	2.81	5.59
Plastic Products	389	2339	175	985	45.02	42.11
Finished Leather & Leather Product	3692	5875	2954	3263	80.00	55.52
Marine Products	1767	4967	507	2692	28.67	57.31
Processed Food	1293	7108	840	4620	65.00	64.99
Woollen Garments & Knitwear	595	1948	208	1353	35.00	69.45
Sports Goods	94	241	94	241	100	100
Readymade Garments	8840	18389	7957	16551	90.00	90.00
Rayon & Synthetic Products	N.A.	3750	15	13.65	—	36.40
Processed Tobacco, Snuff & Bidi	508	1062	240	358	47.30	33.75
<b>Traditional Product</b>						
Cashew Kernel and Cashew nut shell liquid	749.23	1427	642.46	1427	85.75	100.00
Lac	53	65	51	64	97.85	99.00
Spices, Spices Oils, Oleoresins, 382.06	382	1408	10	14	2.61	10
<b>Total</b>	<b>32666</b>	<b>84097</b>	<b>17751</b>	<b>44442</b>	<b>54.44</b>	<b>52.84</b>

Source: Office of DCSSI.

- (i) Free import of capital goods/raw materials and other essential inputs, and in certain cases duty free or with concessional rate of custom duty, so as to ensure higher production for exports.
- (ii) With a view to making Indian products competitive in the world market, a large number of incentives have been provided to the exporters from time to time.

Such incentives include refund of duties paid on raw materials used in export production by a system of duty draw-back, pre & post-shipment credit to the exporters at concessional rate of interest, etc.

- (iii) Export policy of the government has remained liberal as there are hardly any restrictions on exports of item from small scale sectors.

Export procedures have been simplified from time to time so as to promote exports from all the small scale sector. The efforts of the government have always been to regulate and simplify procedures so as to create a congenial environment for the exporting community.

The government has also been providing assistance and support to exporters from SSI sector for exhibiting their products in international exhibitions, besides organising training programmes on latest packaging standards, techniques, etc. and providing technical and managerial consultancy services.

Before considering measures for increasing exports of SME, it would be useful to have a close look at the status of the SMEs and their present exports. The small scale sector in India produces a wide range of products from the most mundane to very sophisticated ones, numbering about 7,500. Out of these, 812 products are reserved for exclusive manufacture in the small scale sector. It is contributing more than 50 per cent of the total exports of the manufacturing sector and about 35 per cent of the total export of the country. The contribution of the SSI sector in India's total exports during the last five decades is given in Table-II.

The total exports by major product groups and the share of SSI sector during 1992-93 and 1997-98 are shown in Table-III. While these figures look impressive, there are some notable weaknesses. The SSI sector contributes about 40 per cent of the gross value of total production of the manufacturing sector but the exports of SSI sector account for less than 10 per cent of its production. More important, just five items namely, ready made goods, leather products, basic chemicals, engineering

*(Contd. on Page 27)*

# Integrative Rural Banking

D.M. Nanjundappa

*The present approach of formulating reforms in rural banking within the banking and monetary framework only should yield place to an integrative approach if rural banking is to promote speedier development and reduction of poverty in rural India.*

**I**NDIAN BANKING SYSTEM is unique in sprouting in an unmonetized and indigenous soil, developing a model of its own to suit the requirements of development both rural and urban. This is a significant contribution to development banking, especially, for rural banking in developing countries. In the developed countries, urbanization and industrialization offered innovative spurts in the West. In India, the urban-rural dichotomy and large-scale poverty provided a greater challenge for the Indian Banking system.

At present, Banking reforms are going on in the direction of strengthening and enhancing the financial strength through efficient management of the assets by enforcing prudential norms, provisioning, tackling NPAs problem and by proposals for merger of banks to gain from the economies of scale. The recent Southeast Asian crisis that hit the banking system in the Asian Tiger's Economy, inevitably emphasized the need for caution and Strengthening of the Banking system by insulating it from excessive speculations and politicization. Therefore, the rural banking system in India has to meet the double challenge: one of increasing demand for rural credit and the other, maintaining viability of financial institutions without oppressive interest rates and inadequate supply of credit in the rural area. Against this background, it may

not be incorrect to assert that in developing rural financial institutions to provide an effective rural credit system for the majority of the poor, the Indian commercial banks and the cooperative banks gave a shape to the rural banking system (RBS) which is unsurpassed in the history of banking in the whole world. The RBS can claim pride for its novel and noteworthy contribution in reducing rural poverty and in protecting the rural poor from the clutches of the rural shylocks. The fact that the poverty ratio in India was reduced from 56.04 percent in 1973-74 to about 32 per cent in 1994 should be read along with the growth of the supply led RBS. The number of bank offices rose from 8,262 in 1969 to 64,108 by March 1998. The credit expanded from Rs.3,599 crore to Rs. 3,44,000 crore during this period. In 1969, hardly 20 per cent of bank branches were in rural areas. In 1998 nearly 52 per cent were in rural areas apart from another 22 per cent in semi-urban areas. Of the rural bank offices, more than 15,000 were branches of Regional Rural Banks (RRBs) in 1993 and their number seems to have declined a little in recent years. This seems to be due to the banking reform of trying to make the rural branches viable. Out of the total bank deposits of more than Rs.7,00,000 crore, 192 Regional Rural Banks accounted for about Rs.16,000 crore.

A recent study of Dynamic Factors in Economic Development published by the Planning Department of Government of Karnataka found that credit and irrigation have the highest correlation with growth of the Karnataka's economy.

Rural development which alone is the panacea for reduction of rural poverty, arresting migration to urban areas and reduction in unemployment has been a primary concern of the RBS.

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With budgetary finance facing several constraints, non-budgetary sources like the financial institutions have been playing a major role in funding rural development. Rural Development attracts institutional finance from three or four agencies like (1) scheduled commercial banks; (2) Regional Rural Banks; (3) Re-finance and direct finance from the National Bank for Agricultural and Rural Development (NABARD); and (4) cooperative credit societies/bank. In several cases, the seed money or margin money for institutional finance is provided in the budgetary resource transferred to the Panchayat Raj Institutions. The flow of institutional finance is very much dependent on the rural network of commercial bank branches and Regional Rural Banks. It is only the cooperative sector which can claim to have the credit societies in most of the villages but nearly 50 per cent of them are defunct. Thus the credit distribution channel of the co-operative system is clogged very much. This has imposed greater burden on the rural banking system in the matter of rural credit.

In supplying credit for agriculture and rural development, given the sickness in the cooperative sector, reliance is more on bank credit. Unfortunately, agricultural credit as a percentage of total bank credit has been declining somewhat conspicuously during the post reform period. The scheduled commercial banks' supply of rural credit, that too for agriculture, increased from Rs. 12,516 crore out of Rs. 71,280 crore in 1987-88 to around Rs.38,000 crore out of a total advances of Rs.3,21,000 crore in early 1998. This meant a decline in rural credit from 17.5 per cent to 11.8 per cent. However, total credit by Regional Rural Banks went up from Rs. 2,400 crore in 1988 to about Rs.11,280 crore in 1999. This marks almost 90 per cent of the credit going to agriculture. The

cooperative credit has not grown commensurately. The cooperative credit system accounted for Rs.5,800 crore in 1991-92 and reached Rs.21,000 crore by 1999. All together the total rural credit that has become available to agriculture and allied activities from the cooperative system, Regional Rural Banks and the

**Rural development which alone is the panacea for reduction of rural poverty, arresting migration to urban areas and reduction in unemployment, has been a primary concern of the RBS.**

commercial banks is about Rs.59,000 crore by 1999. Out of this, Rs.38,000 crore have come from rural banking system and the balance of Rs.21,000 crore have flowen from the cooperative system. How inadequate this credit is can be appreciated by looking at the proportion it forms in GDP. Agriculture contributes nearly 30 per cent to GDP and 68 per cent of the population depends on agriculture. But the share of the rural credit as a per cent of NDP forms only 5.8 per cent, while manufacturing which contributes less than 28 per cent to GDP gets the bulk of the total credit supply of over Rs. 3,44,000 crore. Generally, inadequate flow of bank credit to agriculture and rural development is explained by poor recovery rates, non-viability of the rural bank branches and high transaction costs. Let us briefly have a look at some details in this area.

At the end or March 1997 RBBs accounted for 43 per cent of the rural branches, 23 per cent of rural deposits and 26 per cent of rural lending of all scheduled commercial banks. The latest data available for March 1999

reveal that RBBs have mobilized deposits to the tune of Rs.26,763 crore and their advances stood at Rs.11,281 crore. They have earned a net profit of around Rs.242 crore. As on March 1998, 148 RBBs earned a combined net profit of Rs. 423 crore. It is heartening to know that RBBs have built up a clientele of more than 4 crore accounts. Thus, RBBs are now said to be on the path of recovery. However, from the view point of rural credit the CD ratio which at one time ranged between 104 to 165 between 1975 and 1986 has drastically come down to 42.15 per cent by March 1999. It is claimed that with the restructuring measures such a trend is considered valid because that speaks about the health of the RRBs, totally ignoring the health of agriculture and the rural people.

It has become somewhat fashionable with the banking reformers to refer to the rising non performing assets (NPAs). While no one denies the need for financial efficacy, a holistic view is to be taken in any assessment. Take for example the NPAs. It is said that as on March 1998 the total NPAs of RRBs rose to Rs.3,238 crore forming 32.08 per cent of the total assets. In this context, the latest levels of NPAs of the commercial bank in the public sector as a whole, as reported in the Press touched Rs.52,000 crore. The talk of economic reforms in the second phase is targeting the strengthening of the banking system. In the process, already Rs.4,000 crore have been given to 3 or 4 public sector banks for restructuring the capital base and very recently the Verma Committee Report has sought Rs.5,000 crore for three public sector banks for their restructuring with another six public sector banks already in the line for budgetary support to improve their capital base. As against this picture, RRBs have been given about Rs.1,350 crore for their restructuring. Looking

at the clientele of the commercial banks and the RRBs in the proper perspective, we feel that in the case of rural banking the specific problems are not identified. All efforts so far to revamp RRBs have been in terms of recapitalization, introduction of Kisan Credit Cards, restricting advances to 10 per cent to weaker sections and permitting them to lend 60 per cent of their advances to non-target groups and also outside their area of operation. The Narasimham Committee recommended the merger of RRBs with the commercial banks. Going a step further it was even recommended that the priority sector lending which includes agriculture is to be reduced from 40 per cent to 15 per cent. As against a target of 18 per cent of priority credit set for agriculture, Gupta Committee recommended its reduction to 15 per cent.

For the rural banking sector cooperative banks have failed to come up to the expectations of the rural needs although the level of credit of the cooperative banks rose from Rs.13,967 crore to Rs.21,000 crore between 1997 and 1999. Their aggregate NPAs (SCARDBs, SCBs, DCCBs, PCARDBs) in 1998 were around Rs.2,300 crore. The NPAs have gone up after the introduction of the prudential norms.

A recent study of the post financial sector restructuring and deregulation of the RRBs has shown that they have successfully displaced the money lenders in tribal areas and facilitated development of indigenous people in rural areas. In particular, it is found that organization development intervention had improved the performance of RRBs. There is increased employee motivation and this has impacted on productivity and profitability of these banks. Per employee productivity in March 1999 was Rs.53.97 lakh and in one of the banks it was as high as Rs.88 lakh.

(Sarayu Gramen Bank, Uttar Pradesh). There is change in employee attitude and this has enhanced customer orientation in RRBs. They also introduced innovation in products, services and systems development. Another important impact was in making communication transparent across levels and functions and with the customers. They maintained regular contact programmes for borrowers and educated them on the importance of credit worthiness for securing further assistance. Further, employees are greatly agitated because of lack of implementation of the National Tribunal Award and this seems to be blunting their motivation to maintain high performance.

**The rural banking system has suffered due to several reasons: the programmes have reached only a minority, often wrong minority of the rural population generating an unintended grant in the form of negative loan lending interest rates which are captured by wealthy and influential farmers.**

As a result of the reforms so far implemented the recovery rate improved to 60.56 per cent by June 1998. However, there are wide variations in the recovery rate from one state to the other. In Andhra Pradesh it is 61.47 per cent, Assam 29.26 per cent, Bihar 34.13 per cent, Gujarat 72.33 per cent, Haryana 72.26 per cent, Jammu and Kashmir 24.23 per cent, Karnataka 70.20 per cent, Kerala 88.16 per cent, Madhya Pradesh 55.33 per cent, Maharashtra 62.22 per cent, Orissa 61.62 per cent, Punjab 72.11 per cent, Rajasthan 65.13

per cent, Tamil Nadu 79.37 per cent, Uttar Pradesh 55.26 per cent and West Bengal 37.99 per cent.

One possible explanation for improvement in recovery may be that the lending in the post reform period has been permitted to the non-target groups which have the ability to repay. Also, with the reduction in the CD ratio to 42.15 per cent RRBs are trying to earn on their investments so that they can earn profits. This raises the major question as to whom we are trying to provide credit? Rural poor, particularly, the small and marginal farmers, artisans are getting marginalised and the result of the reform appears to be one of driving the poor again into the clutches of the village money lenders. No doubt, rural banking should be viable and the renovation should be in the direction of financial self-sufficiency, substantial reach out to the rural population, deregulation of interest rates, improvement in the productivity of employees, synchronization with infrastructural development in the rural areas and leadership must be one of ensuring total participatory management. Financial sustainability is achieved when return on equity net of any subsidy received equals or exceeds the operation cost of funds. Dependence on subsidy is the inverse of self-sustainability.

To eliminate dependence on subsidies rural financial institutions (RFI) must (1) have positive loan on lending interest rate high enough to cover any subsidized financial institutions as well as administrative cost to maintain the value of the equity in real terms; (2) achieve a high rate of loan recovery; (3) have deposit interest rates high enough to ensure that voluntary savings become increasingly significant in financing the loan portfolio; (4) contain administrative cost through improved productivity by intensive utilization of staff and by adopting efficient

assessing procedures for investment plan proposals; (5) adopt objective screening of borrowers and (6) follow quick processing of loans.

The rural banking system has suffered due to several reasons. The programmes have reached only a minority, often wrong minority of the rural population generating an unintended grant in the form of negative loan lending interest rates which are captured by wealthy and influential farmers.

There is imbalance between the institutions' sizable supply led loan portfolio and mobilization of savings. Inadequate and depressed deposit interest rates combined with concessional funds from state or refinancing agency discourage savings mobilization. To minimize the risk and administrative cost RFI's have often favoured large-scale borrowers at the expense of small farmers and entrepreneurs. The deregulation of interest rates, permitting the closing of rural branches or mergers to economize the costs, initiating new policies for promoting competition and organizing of self-help groups to improve the distribution and recovery of loans several RRB have improved their profits. There is some advantage in leaning heavily on self-help groups. Because the member of the peer group are jointly liable for repayment of loans and by the fact that they cannot gain access to the credit until the debts of the groups are discharged will be very effective. No doubt, some costs will have to be incurred by the RRBs for forming the self-help groups. Yet another direction has been to assess the performance by reviewing the financial ratio of the amount of interest paid measured against the amount of interest earned. This ratio is influenced not only by the spread between the loan on lending and deposit interest rates but also by the RFI's debt and equity ratio, its access to concessional funds and the interest

income unrelated to the loan portfolio.

Two points require some detailed examination. One relates to the heavy reliance on self-help groups and providing credit through them. The other goes into the deeper issue of why the recovery is low and the proportion of NPA is growing in the case of RFI's.

**For speeding up agricultural development, an issue like according industries status to agriculture is relevant and even crucial. It is obviously due to the fact that several incentives including tax holidays, capital subsidies and high protection were given to industry to promote its faster development.**

SHG's are no doubt welcome. But, it is easily forgotten that this is not the ultimate solution. There are vested interests and the basic proposition of providing direct easy access to rural banking institutions recedes to the background. In fact, the system of Kisan credit card, now introduced, has an extremely limited coverage and the card itself will not guarantee repayment although it may expedite getting a loan within the limit. It is unfortunate that all the measures of reform of rural banking have been on the negative side of the rural credit delivery system. For example, the proposal to reduce the priority sector lending from 40 per cent to 15 per cent or even its entire removal is a negative approach to reduce losses or show clean balance sheets. Again, when the regional rural banks are functioning in the local area covering one or two districts, permission has been given for private sector rural banks with

jurisdiction extending to two or three districts. The markets are most imperfect in agriculture and in rural areas. To think of promoting rural development by injecting more of competition by permitting overlapping is the anti-thesis of what ought to be done to provide credit to the needy in so far as it can lead to elitist banking. Private local area banks will be financing the better off sections and ensure securitized lending in one way or the other. The problem facing the Indian farmers is one of getting adequate incomes from the farming activities which depend on uncertain rainfall in unirrigated area. IT Revolution has no easy answer for this basic problem of the rural poor depending upon unstable agriculture and allied activities.

There is a suggestion for reversing land reforms and promote consolidation of holdings by way of relaxations. This measure will be undoing re-distributive justice. In the context of distribution of surplus land among the landless, distribution as such became dominant to the complete neglect of viability. Two recent studies conducted by the University of Agricultural Sciences, Dharwad and Bangalore have come to the conclusion that holding can become viable economically when its size is from 6 to 10 acres with irrigation facility. This raises a more fundamental issue of rural development. At present, hardly 34 per cent of the land is under irrigation in the country. With the full utilization of the irrigation potential in the country this level can reach about 50 per cent implying that the remaining one-half of the rural population depending on agriculture have to continue with dry-land farming. While watershed management will bring some improvement in the yields it is nowhere in the context of earning an adequate income for the household. It is no substitute for irrigated farming.

Professor V.M. Rao, a distinguished agricultural economist, who has studied, in depth, the processes of dry-land communities, has come to the conclusion that with improved dry-land farming technology, income per acre will rise to Rs. 71 only as against Rs. 27 under traditional dry-land farming. With irrigation the net income per acre will exceed Rs. 3,000. While the return on watershed managed dry-land farming gives a return of three per cent that of irrigated agriculture brings a return of more than 103 per cent according to the same expert. Therefore, the poor borrowing and repayment recovery which is considered the villain of peace in rural banking system is to be explained by serious problems confronting agricultural development. All measures examined and recommended so far have been on the basis of treating rural banking in isolation from agricultural policy. Rural banking is needed for agriculture and rural development and the reverse is equally true.

Until and unless an Integrated Rural Banking Policy is developed and acted upon, rural banking system will continue to be a cause of concern and the rural poor will remain where they are or their conditions may worsen. Therefore, the 'isolationist strategy' of rural banking development should be replaced by an 'integrative strategy'.

In the remainder of what follows, I shall briefly refer to the major directions in which rural banking system is to be integrated with agriculture, the main activity of the farming community. The various components of the integrative strategy are: (1) Liberate agriculture from the constraints of growth. The demand for agricultural credit is on the increase but the supply is totally inadequate. For example, the credit gap in agriculture in Karnataka alone exceeds Rs. 2,000 crore. Agricultural development should be accelerated so

that the farming community may earn a decent income sufficient enough to live with dignity and also generate savings for investments. It is here that a tragedy has occurred. Agriculture has been discriminated against due to the high protection given to industry until the introduction of economic reforms and even now it continues because no specific policy measures have been initiated to improve investment in agriculture.

**Until and unless an Integrated Rural Banking Policy is developed and acted upon, rural banking system will continue to be a cause of concern and the rural poor will remain where they are or their conditions may worsen.**

The real scenario is that investment in agriculture has declined and there is deceleration of capital formation in agriculture. For speeding up agricultural development, an issue like according industries status to agriculture is relevant and even crucial. It is obviously due to the fact that several incentives including tax holidays, capital subsidies and high protection were given to industry to promote its faster development. In costing, all expenditures incurred form the basis in addition to a mark up for profit in determining the price. Significant reduction in excise duties are given by way of incentives to increase production and promote free trade. Similarly, import duties are reduced under the WTO umbrella to encourage competition and improve the quality of domestic production and exports. When the industries become sick, rehabilitation programmes involving large scale write-offs, injection of additional capital, etc.

are also in force. Labour is highly organized and it helps raise the welfare of the industrial labour. In contrast, agricultural farmers and labourers have to fend for themselves. Farmers, particularly, marginal and small, have no alternative left to them except getting indebted to the rural money lenders and become defaulters to rural banking institutions. There is now the talk of the social clause under WTO, which is for liberalizing the labour laws to facilitate cost reductions. Commercialization of agriculture will be necessary and this will imply the grafting of major features of industrial incentives and protection where required. Until such time that high value crops are developed to take full advantage of international trade agriculture will not be able to absorb higher costs and greater losses due to uncertain prices for their output. Farmers and agricultural labourers are to be first organized which will throw up a new set of labour relations. Therefore, gradually, the strategy should be one of giving incentives and safeguards of the type given to industries with appropriate modifications ensuring elimination of discrimination against agriculture in the matter of credit, costing, returns to investment, infrastructure, markets, exports and research/technology. (2) Raise the level of public investment in agriculture significantly. For this, the first task is to delineate broadly the roles of public and private sectors in the new investment policy for agriculture. Higher priority is necessary for agriculture to strengthen the very foundation needed for industrial growth. In short, agriculture should be enabled to grow at 5 to 6 per cent every year. It may be recalled that one year ago, the growth rate was negative. (3) Restructure and revitalize the credit institutions.

Greater role of the private sector, likely diversification of cropping patterns towards high-tech agriculture involving floriculture, horticulture, agro-processing, fisheries would necessitate large credit flow to agriculture. Realizing this, Karnataka Government in its Agricultural Policy, 1995 had suggested setting up of a new apex institution called "Karnataka Agricultural Finance Company or Corporation" in which government equity may be not more than 35 per cent, the rest coming from private or public sector commercial banks. This was soon picked up by government of India and NABARD took speedy steps for setting up such agricultural finance companies in Andhra Pradesh and Tamil Nadu where already substantial investment is flowing from these companies to agriculture. Unfortunately, Karnataka, which gave this idea, dragged its feet for a long time and now an agricultural finance company has been established under NABARD umbrella but is yet to start its operations. The next priority in the lending policy would be to re-organize the moribund cooperative credit system by way of merging long term and short-term credit institutions and introducing professional management. A single window for meeting all the credit needs of the farmers should be organized. In addition, the authorized capital base of RRBs should be increased to Rs. 2 crore. The subsidy incentive system may have to yield place to commercially viable interest and deposit rate structure, retaining subsidy until the farm products get a remunerative price reasonably comparable to non-farm products.

### **Barrier Removal**

These will demand rationalization of irrigation investment and collection of appropriate user charges for supply of water and power to agriculture. Water users associations should be formed to involve them in the management of ownership of canal networks and distribution of water and

collection of user charges.

It should be clearly understood that while dry-land farming adopting watershed approach to preserve in-situ soil and moisture conservation to raise income to the extent possible that in itself will not and cannot guarantee adequate incomes and viable farming. Therefore, maximum efforts should be done to provide irrigation facility to the extent permissible by conjunctive use of water resources supplemented by a well thought out agro-industrial development policy and implementation.

### **Basic Reason**

The basic reason for mounting arrears and defaults in rural banking should be painfully recognized. Defaults arise mostly due to non-viability and inadequate income. In addition, there is no minimum price support policy for some of the commercial crops like onions, potatoes and other horticultural products and also for inferior cereals. It is no wonder that the farmer produce more only to get a lower or distress price which is the surest way of hurting the rural banking system. Even where minimum support price is notified, there is no appropriate mechanism for timely interventions by the state to prevent crash of prices and un-mitigated suffering to the farming community.

While a free and fair play of agriculture markets is to be developed, agriculture must be freed from compulsory levies such as on sugar and rice. There should be free movement within the country as well as free exports, particularly, the commercial crops and surplus farm products. We should ensure better returns to the farmers with changing global markets under WTO and gradually future markets will have to be introduced in agriculture. The states should be liberated from the Central hold in the matter of exports when surpluses are generated in items

like onions, potatoes, silk, cotton, sugar and the like.

Storage facilities, particularly, cold storage should be ensured to prevent deterioration of crop and their distress sale. As an immediate step adequate space in the existing regulated agricultural markets should be made available for private sector investment to develop cold storage facilities and operate them under free market conditions.

Institutional network for peoples' participation should also be developed. While NGOs are welcome, there should be easy access for the poor to become members especially small and marginal farmers and women. Safeguards should come to them not in terms of any unjustified subsidy or doles, but in the form of remunerative prices, storage facilities, credit against warehouse receipts, freedom from suppressive policies, fixation of fair wages for agricultural labourers and social security for unorganized workers.

### **Integration Necessary**

Treading the agricultural path is necessary to make the point more clear regarding rural credit and rural banking. Rural banking can gain in strength and will play its role effectively without adding to the NPAs only when agriculture and allied activities for which bank credit is needed are properly developed. In short, rural banking has to get integrated with agriculture and allied activities and the policies of the latter are to receive immediate attention of the government if liberalization and globalization are not to result in any rural banking sector. The present approach of formulating reforms in rural banking within the banking and monetary framework only should yield place to an integrative approach if rural banking is to promote speedier development and reduction of poverty in rural India. □



# Trade in Services

## Opportunities and Constraints

Prithwis K. De

**I**N THE PROCESS of economic development services sector plays an important role. It has been recognized that the share of services sector in the national income rises as the economy develops (Stigler, 1956; Gemmel, 1986). Indian economy is not an exception and one of the notable features of its structural transformation is the remarkable growth of the services sector which consists of trade, transport, communication, construction, banking, insurance, public administration, defence and all professional services.

The services sector in India has grown over the years. Recently some technology or knowledge-based service such as software services have also contributed significantly to the growth of this sector. Its share in GDP at factor cost increased from 28.5 per cent in 1950-51 to 36 per cent in 1980 and 41.5 per cent in 1994-95 at 1980-81 prices (National Accounts Statistics, CSO). According to the Reserve Bank of India Annual Report 1999, the share of the services sector inclusive of construction in real GDP has increased from 43.7 per cent to 51.2 per cent between 1990-91 and 1998-99.

Trade in services is growing and currently account for more than 20 per cent of all international trade. Service for the first time were brought under the ambit of World Trade Organisation (WTO) agreements in 1995. The

General Agreement on Trade in Services (GATS), negotiated in the Uruguay Round, applies the basic rules on trade in goods to trade in services after suitably modified. The GATS provide successive round for services negotiation not later than five years once it comes into force. However, GATS has not set any deadline to finish negotiations:

According to WTO Secretariat, the term "services" covers a wide range of economic activities, namely (i) business services (including professional and computer), (ii) communication services, (iii) construction and engineering services, (iv) distribution services, (v) educational services, (vi) environmental service, (vii) financial services (insurance and banking), (viii) health services, (ix) tourism and travel services, (x) recreational, cultural and sporting services, (xi) transport services, and (xii) other services not included elsewhere.

The basic difference between goods and service are that unlike goods, services are intangible and invisible. Further more, services cannot be stored (some services are visible, like a consultant's report on diskette; some services are stored, like the telephone answering system). Another difference is that service industries are not protected through measures applicable at the border (tariff) but by national domestic regulations.

The following are four modes in which the services trade takes place :

- Mode 1 : Cross-border trade, where the trade takes place from one country into other. Only the service itself crosses the border. (e.g. international telephone call).
- Mode 2 : Consumption abroad, where the customer travels to the country the service is supplied. (e.g. tourism).
- Mode 3 : Commercial presence,

*The future growth of the services exports depends on how India uses the opportunities thrown open by some of our trading partners and negotiating for the removal of barriers in this sector.*

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where the supplier establishes a commercial presence abroad. (e.g. foreign banks); and

- Mode 4 : Movement of natural persons, where the provider of the service crosses the border. (e.g. consultant).

## Developing Countries

To assist developing countries in the development of their service industries, GATS, Article IV provides for a three-pronged approach. First, it calls on countries to give priority to the liberalisation of access in the modes of supply and service sector of export interest to developing countries. Second, in order to promote the growth of their service industries the developing countries should have the flexibility to open fewer sectors to import competition and to liberalise fewer types of transaction. Third, while making commitments for liberalisation, developing countries could impose conditions requiring foreign suppliers wishing to invest in the service industry and to establish a subsidiary (or other types of commercial presence) in their territory: to set up joint ventures and to provide the local company access to their technology and/or access to their information and distribution channel.

Developing countries are generally considered to have a comparative advantage in services exports that are either labour intensive or require highly skilled technical personnel. The sectors and sub sectors in which it may be possible for these countries to develop trade, taking into account the above two factors, are as:

- (i) business services, including management consultancy services, computer services, professional services, R&D services, rental services
- (ii) communication services,
- (iii) construction and engineering services,
- (iv) distribution services,
- (v) educational services,
- (vi)

environmental services, (vii) financial services (insurance and banking), (viii) health services, (ix) tourism and travel services, (x) recreational, cultural and sporting services; and (xi) transport services.

The Federation of Indian Export Organisations (FIEO) has identified banking and financial services, management consultancy, insurance and related services, tourism and travel, healthcare management, and telecommunication as emerging areas.

## Advantages

India has abundant advantages in the areas of software consultancy and information technology because of its large pool of technologically qualified manpower, lower wages and low cost hardware technology. According to the WTO Report 1999 on world trade growth, India recorded the highest growth in export of commercial services at 22 per cent in 1998 followed by Turkey at 17 per cent, Spain 10 per cent and UK 8 per cent.

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India is keen on zero duty on cross-border electronic transaction due to the high potential of software export from the country. The country exported software of over \$ 2.2 billion for 1998-99, which is expected to grow by about 40 per cent this year. The issue of zero duty is a matter of great debate all over the world at present. While some countries are keen on zero duty, others feel a lot of revenue will be lost in the process. India hopes to capitalize on the growing software market around

the globe and it is turning to be an important software development centre.

The largest component of the 'services sector', i.e., the financial service sector including all banking and other financial services, and all insurance and insurance-related services has now been fully subject to multilateral trade rules. The economic reform programmes initiated in many developing countries provide attractive opportunities for Indian firms in the financial services sector to export their services. India has developed a strong and vibrant financial sector and its inherent strengths include a wide range of instruments offered by an extensive commercial banking system, an independent regulatory authority, active primary and secondary securities markets, credit rating agencies, term lending institutions and development banks, leasing companies, mutual and venture capital funds, etc.

The share of the financial services industry of India in world trade is very negligible. According to the WTO Annual Report 1998, India obtains 31st rank in terms of its share in the world exports and import of commercial services. Despite obvious strengths, India's earnings from export of financial services are still very small. India has huge potential for exports of financial services. However, the firms in the Indian financial sector have not adequately tapped the potential. India IT could also forge links between software and financial services and focus on exporting financial data processing services and related software.

## Tremendous Scope

India has a tremendous scope for exports in the field of construction, engineering, architectural and design services in various infrastructure areas such as transportation, housing, urban

development and water supply. The Government of India has recognized consultancy exports like industrial, technical, scientific and managerial consultancy as one of the important areas in which India is in an advantageous position. The cost of same quality Indian consultancy services is low compared to other developed countries. Apart from that Indian expertise is also suitable for other developing countries.

Apart from all the above, there is considerable scope for exporting the non-conventional technology based services like super speciality hospitals, satellite mapping, standardization, and quality assurance, printing, maintenance, and technology intensive educational services. Healthcare management is the area where the developing countries like India has enormous export potential. India has been making efforts for exporting technologies, services and projects directly and indirectly to other developing countries by sending experts and skilled labour abroad, establishing joint ventures, undertaking turnkey projects, licensing of know-how and providing training to foreign personnel. There exist a vast scope to enhance Indian technology exports in view of its wide exposure to a variety of technologies from the developed world, available R&D facilities, trained manpower and industrial infrastructural facilities.

In different parts of the world, the demand for labour services is increasing at a fast pace. From developing countries, engineers, chartered accountants, statisticians, doctors, management and production personnel, garment-trade professional, business and technical analysts, auditors, teachers, nurses, pharmacists, sales personnel, marketing staff, hotel staff, computer personnel, architects, textile engineers, draftman, physical and occupational therapists, geologists, librarians, chefs,

manual workers, etc., are trying to move abroad to provide labour services.

One of the key demands of developing countries is that member countries should assume firm and legally binding commitments to permit independent professionals to work abroad without being required to establish a company or other form of commercial presence. Even when movement of natural persons as a mode of delivery in the service trade has been recognized, and market access commitments have been included in the GATS, it has created little or no space to incorporate the export interests of the developing

**India has huge potential for exports of financial services. It could also forge links between software and financial services and focus on exporting financial data processing services and related software.**

countries. Hence the comparative advantage of developing countries in exporting labour services has not been recognized by the multilateral trading system. Hence at least in the area of movement of natural persons, the limited agreement of the GATS concerning the export of labour services has not only failed the multilateral trading system and the WTO but has also made its commitments unrealistic. The failure of the GATS lies in its inability to recognize movement of natural persons at different levels, where most member countries actually participate in such service trade in parallel labour markets. The developing countries, with comparative advantage in the export of labour services, can seize such opportunity and evolve ways,

both bilateral and regional, to have better terms of negotiations in labour services, which can create future avenues for the increased export of labour services.

Integration of labour exports through the WTO would help the developing countries to formalize their labour exports in the multilateral trading system and approach the dispute settlement machinery of the WTO for settling disputes.

It would provide them with opportunities to increase their participation in multilateral trade in services, to augment their export earnings, income, employment and to reduce poverty.

India has to press for a separate agreement for free trade in services through movement of natural persons at the forthcoming negotiation on the GATS. The movement of natural persons, especially professionals is of special importance to India as it enjoys a distinct comparative advantage in this area covering a whole range of services from computer and related services to hotel, health, engineering, construction and other professional services. In the movement of skill personnel for temporary periods, India faces the barriers like entry restrictions on certain categories of natural persons, restrictions on duration of stay of natural persons, conditions for entry and other related requirements, guarantee restrictions by way of number, restrictions on capital transfers, prohibitions against foreigners obtaining local qualifications, tax discrimination and restrictions on minimum investment requirements. The commitments made so far have not benefited developing countries including India in any significant manner because they were largely restricted to business visitors and intra-corporate transfers. The proposed agreement will also prove beneficial to developed countries by

providing them access to professionals such as doctors, nurses, and software experts on competitive terms.

At present there exists a variety of barriers on the movement of natural persons. The most binding of these constraints relate to labour market and immigration rules/conditions that affect the movement of natural persons in general. These external constraints primarily include restrictions on the movement of natural persons especially those related to the granting of visas and work permits; wage parity requirements; requirements to pay

social security taxes or charges; and problems with recognition qualification and work experiences. India should look for greater market access for skilled and semi-skilled labour and knowledge workers for its positive implications for reducing the current account deficit by increasing the exports of services. Another problem that India may face is the non-tariff barriers which significantly reduce the competitiveness of foreign service providers relative to domestic service providers.

Therefore India should demand for more opening up and enhanced movement of natural personal criteria.

There are 161 services which are included under the Exim Policy to avail of facilities under schemes like EPCG, Star and Super Star Houses, EPZ, etc., which are WTO consistent. The future growth of the services exports depends on how India uses the opportunities thrown open by some of our trading partners and negotiating for the removal of barriers in this sector. □

### **EXPORT ORIENTATION....**

*(Contd. from Page 16)*

goods and marine products and processed foods constitute about 86 per cent of the total exports. Also, in practically all sectors, the exports are in the lowest value segments i.e. the unit value realisation is among the lowest in the world. Besides, the exports are mostly limited to a few established markets/countries.

India is a member of the WTO and is bound by its regulations. This poses a number of threats as well opportunities e.g. with gradual quantitative restrictions on imports and a progressive reduction in import duties, the indigenous manufacturers will have to compete with imports even in the domestic market. On the other hand, this would open up many new markets for exports where the country can develop competitive advantage.

As mentioned above, during the era of planned development, the entire stress was on production of goods and services for meeting the country's requirements and the exports were confined to incidental surpluses or imbalances in supply and demand. The entire philosophy will now have to undergo a sea-change, with indigenous manufacture being confined to areas where the country can build up competitive advantage. This

would call for achieving economies of scale, continual upgradation of products as well as process technologies, increased attention to R & D and cost reduction i.e. achieving international competitiveness.

It would be imperative to look beyond the country's borders and build up significant export capacities, while utilising imported raw materials and components where the economies of scale and local resource endowments make their domestic production uncompetitive. This would require a complete change of the mind set.

One of the major weaknesses of the industrial structure in the country is that the linkages between the large scale sector and the small scale sector are extremely weak. These would need to be cultivated and developed so that the large scale sector can provide the necessary inputs to the small scale sector in terms of assured and timely supply of quality raw materials, technology, marketing support, etc. Such inter-linkages would prove mutually beneficial as the two sectors play a complementary role.

The country possesses considerable richness of skills as is evident from the substantial exports of handicrafts, handlooms, sericulture, etc. It also has a highly skilled and trained manpower which gives it a major advantage in the knowledge based

industries like software. These, coupled with the advantage of low wage levels, offer a big potential and are clearly areas where the country can expect a sustained and high growth rate in the years to come.

There are many areas in which the small scale sector would need government assistance if it is to play its role and make its due contribution. The first and foremost is the availability of infrastructure like power, water, telecommunication facilities, tool rooms, common testing facilities, common effluent treatment plants, human resource development, etc. Besides, the SSI sector would need to be assisted in making available information on state-of-the-art technologies as well as continuous marketing intelligence.

To sum up, there is a vast potential to increase exports from the small scale sector but this would require well directed and concerted efforts on the part of the government, the industry associations and the entrepreneurs to overcome the major problem and constraints being faced and capitalise on the inherent strengths which the country possesses in plenty. There is doubt that this is well within our capability and we can look forward to a sustained and very healthy growth in exports from the small scale sector in the years to come. □

# Syndrome of Poverty and Population Explosion in India

Shekhar Mukherji

*Spurt in population will further aggravate socio-economic impact on economic development, resource utilization, and environmental degradation. Massive social overhead costs will be involved to provide basic needs of increasingly swelling population, like food, clothing, shelter, education, employment, transport, health services, and to maintain minimum standard of life.*

INDIA'S POPULATION HAS crossed 1 billion mark by May 11, 2000. This is according to information of the Ministry of Health and Family Welfare, although according to UN estimates this incident had happened by mid August, 1999. India's population was 347 million at the time of Independence (1947), which very rapidly rose to 850 million by 1990, and crossed the billion mark by mid-May, 2000. Thus, a population bomb is fast ticking to explode to a very fearful 1.65 billion in the year 2050—when it will surpass even China's population (Table 1). By then, India will have the most dubious distinction of being the world's most populous country; but without much prosperity and having almost half of her population living below the poverty line. In 1997, 37 per cent of population or 360 million population was below the poverty line, and their numbers will greatly swell in future. Unless tremendous socio-economic upliftment of the poor is done right now and very drastic control of fertility is actualised, the proportion of people below poverty line will tremendously explode; about 1 billion poor people will be there by the year 2050. That will be the most horrible involution of India's population, and quality of life there in. Right now, we have more poor people (over 370 million) living below the poverty line—which is indeed equivalent to India's total population at the time of

Independence.

India's population has grown 4 times between 1901 and 2000, and almost trippled since 1941. This is mainly due to rapid decline in mortality, which was not accompanied by similar fast decline in fertility levels. So the key to population control lies actually in ensuring rapid fertility control. At present, India's population is growing by 15.33 million per year; it implies an addition of Australia's population to India's population annually. This involves an addition of 42,000 new babies daily, or 1 birth per 2 seconds. Right now, in India, 2 lakh villages (30 per cent of all villages) do not have clean drinking water, and 75-80 per cent of rural population do not have sanitary facilities; 25-40 per cent do not have adequate housing; and more than 30 per cent are denied modern health service. Even primary schools are absent in one third of the total villages in India. Denial of such basic amenities of life will further aggravate when these will be aided by further population explosion.

Such spurt in population will further aggravate socio-economic impact on economic development, resource utilization, and environmental degradation. Massive social overhead costs will be involved to provide basic needs of increasingly swelling population like, food, clothing, shelter, education, employment, transport, health services, and to maintain minimum standard of quality of life. Such a huge burden on the economy of the country will further cripple its economic growth and development; and severely limits its scope for prosperity, and its future. Increasing unemployment, and lack of savings and investment will aggravate the crucial problems of poverty in India. So, the vicious poverty trap must be broken.

Excessive pressure on limited

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**Table 1**

**Very Rapid Population Explosion in India, 1990-2050**

Year	1950	1990	2000	2010	2020	2030	2050
India's Population (Million)	357	850	1022	1189	1327	1384	1650
China's Population (Million)	555	1155	1284	1388	1488	1499	1550
India: Percent urban	17.3	25.5	28.6	33.8	41.3	45.8	56.0
China: Percent Urban	11.0	26.2	34.5	43.0	50.8	55.2	65.0

Sources: UN World Urbanization Prospects, 1996 Revision and UN Population Estimate.

cultivable land and physical resources will lead to further fragmentation of small land holdings, tremendous environmental degradation, rapid deforestation, top soil removal, silting of river beds, water shortages, drought, flood, and concomitant environmental hazards.

On the other hand, there will be great benefits if population growth of India is slowed down very quickly; first, there will be much less economic burden over limited resources and capital, and these will be available for rapid socio-economic revival and reconstruction, employment generation, and poverty reduction. Secondly, preservation of environment will be possible, along with control of deforestation, control of river bed silting, and better water management, drought and flood which plague India annually. Thirdly, there will be immense socio-economic upliftment of the poor and the downtrodden, by providing them with basic literacy, education, employment, and health care. Thus, quality of life of common people will be greatly enhanced and drastic reduction in poverty among the masse will also be actualized. Fourthly, with slowed population spurt, per capita income may rise,

productivity may also increase, along with concomitant rise in savings, investment, and further growth efforts. These in turn may permit more effective allocation in education, health care and employment generation. The result will be rapid economic development, reduction of poverty and sustainable development. Thus, we must commit ourselves for slowing down of population growth and mass adoption of small family norm.

**States' Picture**

There is considerable state-wise variations in demographic and socio-economic conditions. Population growth and fertility rates are much less where literacy and education are on higher levels, like Kerala, Goa, Mizoram, etc. Conversely, fertility levels and population growth rates are at very high levels where widespread female illiteracy and rampant poverty are persisting, like in UP, MP, Bihar, Rajasthan. Considerable differences also exist in rural and urban part of each state.

So, it is wise now to visualise rural-urban differences, and to assess state-wise variations in such situations. For such assessment, a factor analysis is

performed on all the main variables of rural and urban part of all states, which has generated two main factors, with a given value exceeding greater than 1.0, explaining 81.6 per cent of total variance (Fig. 1). These two dimensions are identified as follows :

1. "High female illiteracy, poverty, high TFR, high IMR, and little availability of health services" dimension (explaining 71.8 per cent of variance).

2. "Prosperity, low TFR, low IMR, more health services and more contraceptive use" dimension (explains another 9.8 per cent)

It is indeed extremely remarkable that these two factors have been very successful to capture essence of socio-economic-demographic-cum-policy structure of the present-day India : that is, depicting that 72 per cent of Indians suffer, both socially and spatially, from acute illiteracy, poverty, high TFR, and IMR, and a complete lack of health services, in the one hand, and about 10 per cent of people and regions somewhat enjoy the privilege of prosperity, good health services, contraceptives, sterilizations, anti-natal care, child immunization and so forth, and consequently, manifest a low TFR and low IMR, on the other hand. Indeed, this picture correctly manifests India at present.

According to different states' relative position or relative picture on this multi-dimensional space, the following four main clusters are found out.

(1) Cluster 1: Out of 37 regions of India, thus studied, only 12 are much developed regions, developed on all the three dimensions (D,S,P), demographically, socio-economically, and health-wise (Cluster 1). These regions/states are : Kerala (Urban), Kerala (Rural), Goa (U), Goa (R), Maharashtra (U), Gujarat (U), Punjab (Urban), Andhra Pr(U), Himachal

Pr(U), Delhi (U), Jammu-Kashmir (U), and Rajasthan (U).

(2) Cluster 2 : Another 9 are on the incipient demographic transition, and may show some substantial improvement in the next 5 to 10 years (Cluster 2). They include: Haryana (U), West Bengal (U), Tamil Nadu (U), Madhya Pr (U), Assam (U), Uttar Pr. (U), Bihar (U), Rajasthan (U), and Orissa (U). They are just on the threshold of development.

(3) Cluster 3 : On the other hand, there still exist about 8 underdeveloped regions Tamil Nadu (Rural), Gujarat (Rural), Haryana (R), Maharashtra (R), Himachal Pr. (R), Andhra Pr. (R), Jammu-Kashmir (R), and Punjab (R)—which show much female illiteracy, widespread poverty, moderately high TFR, moderately high IMR, and only slight health services and family planning practices. These states and regions need considerable revamping of their health services as well as sincere and sustained efforts for poverty alleviation.

(4) Cluster 4 : Finally, the hardcore areas of severe underdevelopment regions lies in such states : Uttar Pradesh (Rural), Bihar (Rural), Madhya Pradesh (Rural), Rajasthan (Rural), West Bengal (R), Orissa (Rural), Karnataka (Rural), and Assam (Rural). These regions suffer from very high female illiteracy, widespread poverty, high TFR, high IMR, little health services, and little family planning practices. Very large and highly populous states, they need very urgent action-oriented programs for demographic transition and employment generation. These hitherto neglected and marginalised regions must be given the top-most attention for economic regeneration and demographic decline.

Many social scientists conventionally argue that high level of fertility deteriorates the family's

Table 2

**Cluster of States of India according to their Demographic, Socio-Economic, and Health Development (1992-93)**

Cluster Characteristics	States/Rural-Urban parts in the Cluster
1. Cluster I (Most developed)	12
Depicting much prosperity, low TFR, ,IMR little female illiteracy, little poverty, quite good Family Planning services and health services	Kerala (U), Goa (U), Goa (R), low Kerala (R), Maharashtra (U), Delhi (U), Andhra Pr (U), Gujarat (U), Himachal Pr (U), Punjab (U), Jammu-Kashmir (U), Rajasthan (U).
2. Cluster II (In Transition)	9
Quite low female illiteracy, moderate poverty, quite low TFR, and low IMR, and moderate health services and contraceptive	Tamil Nadu (U), Haryana (U), West Bengal (U), Orissa (U), Assam (U), Uttar Pr (U), Bihar (U), Rajasthan (U), Madhya Pr (U),
3. Cluster III (Underdeveloped)	8
Much female illiteracy, widespread poverty, moderately high TFR, moderately high IMR, some health services and family planning practices	Tamil Nadu (R), Gujarat (R), Haryana (R), Maharashtra (R), Himachal Pr (R), Andhra Pr (R), Jammu-Kashmir (R), Punjab (R)
4. Cluster IV (Most Underdeveloped)	8
High female illiteracy, widespread poverty, high TFR, High IMR, little health services, and little family planning practices	Uttar Pr (R), Bihar (R), Madhya Pr (R), Rajasthan (R), West Bengal (R), Orissa (R), Karnataka (R), Assam (R)

well-being and generates poverty. Since Malthus' classic treatise, studies are abound with such arguments. But, the complex inter-relationships between socio-economic-political variables and demographic behavior variables are not yet fully understood for developing countries. Very few demographers have addressed to the crucial egg-and-chicken question : of the two factors, poverty and fertility, which one is the cause and which one is the consequence ? Is it not true that poverty-stricken families are compelled to give birth to excessive number of children, as means of more hands of labour and old age security ? This crucial issue needs, not conventional, rather penetrating and soul-searching research.

Unlike conventional studies, this paper emphasizes upon the basic fact that the syndrome of poverty, inadequate and ineffective health and family planning services, and the situation of very high fertility and high infant mortality behaviour are very much causally linked. The study also reiterates that

desirable demographic transition will not set in, especially in Uttar Pradesh, West Bengal, Bihar and similarly-placed poverty-stricken states of India, unless and until we soulfully realize this fundamental truth and urgently take immediate actions for poverty eradication and for alleviating the oppressive condition of the poor people, especially of the wretchedly downtrodden women in U.P., Bihar, Madhya Pradesh, West Bengal, Orissa, and India as a whole.

Fig. 2 presents the schematic diagram indicating the summary of inter-relationship between :

A. The Syndrome of Poverty : This syndrome is reflected in widespread family illiteracy, and low occupational status or unemployed condition of women, the three factors making a poverty syndrome in which the poor women are imbedded and their fertility behaviour occurs.

B. Very Low Utilization of Health Services : It is caused by the above syndrome of poverty. The women

having lower occupation (who are also illiterates and belonging to low castes) indicate very low rates of utilization of ante-natal services. The same kind of relationship also occur in child immunization: very low utilization among low occupational groups and higher rates among the higher occupational categories. Set within the context of very high IMR and very high TFR, such poor utilization rates among the low occupational groups of women, regarding child immunization and polio vaccination are more alarming. It is this group, who are also illiterates belong to lower castes.

### Three Characteristics

Three characteristics vary together, making a "poverty syndrome". Widespread illiteracy, low occupation, and low castes complicate the problems further, as these imply higher IMR, higher TFR, but lower utilization rates. Policy-wise, such vicious cycles must be delinked, if betterment of health status of the masses of very poor illiterate women and their children are truly aimed at. Similar relationship arise between illiteracy and lower occupational status of women and low utilization rates of family planning. Eligible women belonging to illiterate groups and very low occupational groups like housewives, cultivators, agricultural labourers, etc. have recorded very low utilization rates. Among a few service holders, this rate is considerably higher. An important conclusion is that much sincere efforts are needed for raising their status of occupation and providing suitable employment. These marginalised village women are denied education, work, wages, and consequently, denied hope for aspiration. No programmes for health improvement can be sustained even for a short time, without alleviating the Syndrome of Poverty.

**C. Explosive Demographic Behaviour:** Very high infant mortality and very high fertility level persist among those rural women— influenced by various factors within the syndrome of poverty. These explosive demographic behaviours are further aggravated by very low knowledge and utilization of health services.

In India, it was found that a huge majority (over 60-70 per cent) of all women in reproductive ages are illiterate. This sad truth has a very deep-seated and all-pervading and adverse effect upon the status of health of these women and children, and upon the utilization patterns of PHC/SCs. Consequently, their demographic behaviour is also adversely affected. Set within this context, the need for providing primary health services to such poverty-stricken rural masses becomes all the more imperative.

Literacy among the mothers should not be regarded as a variable per se— rather it should be regarded as an index of poverty, helplessness, deprivation, and lack of proper knowledge about child care, immunization, and the existence of health facilities available. This also means lack of education for proper health care of the children and lack of means for food and nutrition for both mother and the child. What lessons can we learn from such findings?

### Mass Education

It shows that if mass education is given to the illiterate women, the infant mortality rate can be greatly reduced. No high power mathematical analysis, nor highly expensive health centers would be necessary—urgent effective programmes for massive primary education for the females alone will do this miracle—simply because the effect will be many-sided and all-pervasive!

Casually speaking, the foremost reason for high level of fertility is

prevailing acute poverty conditions among the rural peasants and labourers' families—which impel them to consider children as assets (not burdens) and more hands of labour and more financial security to the family—and thus compel them to give births to excessive number of children, especially under high IMR condition and under widespread illiteracy and ignorance about contraceptives. Such negative socio-economic conditions must be given now a final burial.

In sum, if we are really desirous of dampening high level of fertility, then, the vicious cycle between high poverty and high fertility must be de-linked. It implies combating widespread illiteracy and unemployment/ underemployment among the poor village women, specially in most backward and neglected states of UP, Bihar, MP, Rajasthan and Orissa (as well as in other states of India).

### Acute Problems

The acute problems of massive poverty-induced migration of labourers from rural to metropolitan centres, problems of lopsided, unplanned, and over-congested urbanization, and problems of proliferation of degrading slums and acute environmental deterioration in very rapidly growing metropolises and cities of India now call forth urgent attention of the scholars, planners, policy-makers and administrators for seriously attempting to make urgent remedial measures and well-thought plan of action, before such problems reach a point of no return. These problems are very rapidly occurring in India (and in many similarly-placed developing countries), and thus require our very urgent attention, before these problems lead to a catastrophe.

The total population of India according to 1991 census was 845 million which has very rapidly increased and crossed 1 billion by May

11, 2000, according to Ministry of Health and Family Welfare. *Although the total population of the country is growing at 2.2 per cent annually, the urban population of India has been growing at more than double of that rate* (roughly about 225 million in 1991) and it is expected to reach 350 million by the year 2000. Most of the metropolitan cities of India are growing at a very faster rate and most of them are expected to double themselves by 12 to 15 years, according to United Nations estimates. More alarming than that is the fact that the urban slum population in such mega cities are increasing at still faster rate and it is feared that the total urban slum population of India will double from 75 million in 1991 to about 150 million by 2001.

Bombay is already a cruel Megalopolis of about 18 million, followed by other exploding metropolis like Calcutta (12.7 million), and Delhi (11.7 million), and Chennai (9 Milion). By 2010, Bombay will explode to a fearful 24.4 million, the second largest city of the world, after Tokyo. Other cities will soon follow suit, as they have equal growth tendencies.

Large metropolises are growing very rapidly in India, unfortunately with slum growing many times faster. Poverty, agony, misery, exploitation, humiliation, insecurity, inequalities, and human unhappiness are also multiplying tremendously in recent decades. These crucial problems will aggravate many time in 21st century, specially when aided by very rapid population explosion, specially in rural areas (UP, Bihar, MP, Rajasthan, etc.) and increasing low-quality migration of the poor. These crucial human problems need our urgent attention and immediate redress. This is the main concern of this paper.

First, masses of the poor, landless, illiterate and unskilled agricultural laborers and petty farmers from backward states make quantum jumps towards big metropolises like Calcutta, Bombay, Delhi, Madras, and so forth, bypassing local small towns and small cities—which fail to give them even minimum employment. Such massive rural to metropolitan migration of distressed people is a typical characteristic of migration in India, which is leading to acute urban involution, congestion and decay.

**Although the total population of the country is growing at 2.2 per cent annually, the urban population of India has been growing at more than double of that rate.**

Proliferation of filthy urban slums and pavement dwelling, extreme squalor and very poor level of living characterize such metros. Because such metropolises have failed to provide to migrants and residents with minimum shelter and minimum subsistence employment. Overflow of urban poverty, unemployment, extreme housing shortages, and frequent breakdowns of essential urban services (like water, electricity, sewerage, transport) are visible everywhere in such metropolises.

Secondly, such phenomena are occurring because the metropolises of India have very limited employment-generating capacity under capital-intensive industrialization, and consequently, the incoming illiterate and unskilled migrants are absorbed only in very poorly paid urban informal sectors; that are characterized by low productivity, cut-throat competition, insecurity and exploitation. Although such migration helps to avoid starvation

(hence desirable), it does not improve their economic condition adequately, nor permits their social mobility. Rather, it leads to a colossal waste of human resource and of national potential. So the migrants are in fact moving from rural poverty to urban poverty.

Thirdly, as a result, such metropolises also became very much involuted, not evolved; i.e., they grew merely in population, not in prosperity. Mega cities (which will cross 10 million population by 2000) of India are becoming merely over-blown villages, without urban culture and urban functional characteristics.

Fourthly, such Mega cities are very fast degenerating into extreme filth and undescrivable squalor;

Fifthly, such metropolises are very fast becoming the scenes of extreme social and economic inequalities wherein abundant affluence among a handful few stand hanging and over-looking abject poverty among the masses down below. These kinds of situations may create a dangerously eruptive situation—which is conducive to unleash in the near future extreme social disorder, severe class conflict, crimes, widespread violence and urban civil war. These situations urgently warrant immediate plans of action.

In short, these are the crucial problems of massive poverty-syndromes, labour migration and problems of acute urban congestion, urban failure, and urban inequalities in India. If effective actions are not urgently taken to redress such human problems, the process will fast reach to maximum entropy level, when the entire system will break down, resulting in dangerous volcanic eruption and calamity. □

# Knowledge Workers

M.P. Srivastava

*The knowledge workers will have to strengthen the basic foundation of economic democracy in India. If knowledge workers can uphold the ethical standards of the organisation and add lustre to the image of the organisation and human resource management, that will be a solid achievement.*

**I**N THE NEW millennium, the face of human resource management function within the organisation will undergo a radical change with changing traditional forms of employment. With the emergence of newer job options and structure (like consultants, seasonal or hourly jobs) the job scenario is no longer restricted to 9 to 5 jobs. This changing job scenario calls for a new work force which demands a different set of skills but its implications/on human relationship within the organisation will be critical, given the Indian psyche. How the management would adapt to the changed scenario would equally be critical.

Change is inevitable and the knowledge workers will have to act as facilitator for that change. The knowledge workers, therefore, have to develop cognitive skills to predict change and manage it.

Similarly, another 'must' would be the organisational ability, the ability to respond swiftly to change and put it to strategic advantage by exploiting emerging opportunities for the development of knowledge workers. Organisations would therefore, increasingly have to become the voice of the knowledge workers. Knowledge workers are going to play an important role in the growth and development of human resources within the organisation.

It is, therefore, desirable that more attention is paid to the management of these workers so that there is maximum utilization of their potential as during the current decade the

discipline of human resource management has revolutionised the activities both of workers and the organisations.

For the first time in development history, a large number of professional, technical and skilled personnel have come together in the organisations and are engaged in the development of primary, secondary and services sector of the economy, to achieve their own purpose as well as that of the organisation.

Peter Drucker coined the term knowledge worker a few decades ago but it has gained currency during the last decade with the dramatic shift in the nature of activity i.e. shift from primary and secondary sector to services sector.

With the current economic boom, both the workers and the organisations face a paradox; how to retain the talented youth as these talented young workers want to be entrepreneurs, consultants and specialists. Yet as Peter Drucker suggests, the quality of workers depend on the quality of the organisation we establish and how both the workers and organisations help in the development of human resource management.

In the present context, the role of a knowledge worker is that of a "specialist". Industry first began with the entrepreneur, who was a technician or a financier or a marketing man. But when the entrepreneur's business grew and diversified, it was found that he was unable to cope with all aspects of the enterprise, not only because of the narrowness of his own specialisation but also on account of other entrepreneurial demands on him. With specialists working in the enterprise, the entrepreneur's role became that of coordinating the various activities under him. The interdisciplinary demands of the enterprise turned him into a 'coordinator-generalist.' Whereas the specialist is a

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professional, whose primary occupation is planning and development, who does not have any substantial ownership stake in the organization, who is there not by virtue of his family but because of his own skill. This person is thus a specialist, either on account of specialised professional training or by virtue of his professional experience.

### **Invaluable Asset**

A professionally trained and experienced cadre of knowledge worker is an invaluable asset to the organization. Here "managership" is no more a matter of status only, but it becomes primarily a matter of function. The philosophy of human resource management could thus be stated as : management is not the direction of things, but the development of human resources. The acceptance of this philosophy is not merely the objective of promotion of harmonious human relations in the organisation, but it is also a sound entrepreneurial proposition in many ways.

Many management experts now agree that the single and most important aspect of any organisation is its knowledge workers, as a knowledge worker is 'one who has knowledge today for tomorrows business'.

Therefore, an enlightened organisation must plan for its knowledge workers (professional, managerial and technical) as carefully as it plans for its new products, new physical facilities, financial resources, and other important aspects of the organisation.

Success of the organisation depends on :

1. Development of organizational needs,
2. Evaluation of performance system,
3. Development of human resource

information system, and

4. The development of knowledge workers.

The diversification of the organisational base requires knowledge workers. Owners-managers made every effort to understand the 'language' of the specialist, a dialogue ensued between owner-managers and the knowledge workers and management by hunch receded to the back seat, competitive survival emphasized the role of management 'expertise' as against a flair for managing enterprise. "Increasing size of enterprises,

**As the 'youngest of arts and oldest of professions', the organisations have tended to depend more and more on knowledge workers, who in recent years have come to play an important role in many a leading enterprise in India.**

growing complexity of technological processes, emphasised the need for educated men and women to handle correspondence, public relations and liaison with government and foreign agencies, all these have outraced the available talents which the families controlling large-scale business could mobilize from within or from their intimate circle of relatives and friends. Growth oriented enterprises, therefore, felt the need to strengthen their competitive advantage by making marketing the basis of corporate planning.

As the 'youngest of arts and oldest of professions', the organisations have tended to depend more and more on knowledge workers, who in recent years have come to play an important role in many a leading enterprise in

India. To cite an example, the organisations today possess a diversity of specialized skill like psychology, operational statistics, scientific research, accountancy and home economics." Similarly, the organisations also possess operating personnel, and in course of years, would need a wide range of advisory services which could only be provided by knowledge workers such as specialists in "law, economics : statistics, human relations, accounting, agriculture, dairying and livestock, biotechnology, organization and methods and work study, physics, chemistry, biology, engineering and instrumentation, among others.

The pace of human resource development has quickened by the creation of management associations, establishment of management institutes, the national productivity council, publication of specialized management magazines and periodicals, in house training programmes, and by the institution of business administration courses in leading universities. Effort by the organisation for the development of knowledge workers as professionals, and to train them in the discipline of human resource management has also become a prestige activity during the current decade.

### **Future Trend**

Looking ahead one can foresee that the human resource management in the organisations will have to cope with several challenging issues in future :

(1) There is need to spell out more clearly the codes and norms for the knowledge workers as well as for the organisations. There is also a need for better adjustment in the power echelons of the organizations. This would help to avoid authority and conflict both within the knowledge workers and the organisations. Similarly, the in-built danger of

transition from family to professional management have also to be tackled carefully, particularly in the private sector.

(2) A suitable pattern of incentive payments has to be evolved to reward the services of knowledge workers.

(3) The knowledge workers will have to be really skilled to evoke the capacity of the organisation to work productively.

(4) There is a real challenge to knowledge workers today as the labour productivity is going down and labour unrest has become widespread.

(5) Last but not least, the knowledge workers will have to strengthen the basic foundation of economic democracy in India. It is their job to raise the standard of organisational ethics. If the knowledge workers can uphold the ethical standards of the organisation and add lustre to the image of the organisation and human resource management, that will be a solid achievement.

A deep concern and commitment for higher ethical standard need to be the task before the knowledge workers within the organisation.

### **Achieve Objectives**

However, the development within the organisation is characterized by high social complexity, increased dependence on technology, skill and specialization and therefore, organizations, institutions and groups should increasingly orient their energies and actions in the direction of developing knowledge workers so as to help and achieve the objectives of the organisation. The need is also to enhance their skills by periodic training programmes.

HRD specialists in organizations hold particular views, assumptions, values and preferences about how to manage and develop knowledge

workers in order to attain organizational as well as individual goals. Such views, assumptions, values and preferences need to be translated into formal policies, practices and procedures of managing and developing them within the organisation.

A very frequent concern expressed by the employees in organizations in which new HRD systems are being introduced is : "To what extent are these systems applicable to Indian organizations? Are these HRD systems not based on foreign experiences?"

**However, the development within the organisation is characterized by high social complexity, increased dependence on technology, skill and specialization and therefore, organizations, institutions and groups should increasingly orient their energies and actions in the direction of developing knowledge workers so as to help and achieve the objectives of the organisation.**

Such questions reflect a long-standing controversy among HRD practitioners as well as academicians and researchers about the applicability of human resource management practices for developing the knowledge workers in the organisation.

One school of thought has held that "management is management" wherever practiced, a universal profession whose principles can be

applied in every form of an organized activity." Such a view has found support in some well known research findings. A classic study is that of Harbison and Myers who studied management practices in 23 countries and concluded that managements do not differ fundamentally from country to country.

### **Reward & Punishment**

One of the best known studies was done by JBP Sinha who suggested that Indians, because of their social and cultural background have a strong need for a tough but nurturing style of human resource management which is authoritarian but also benevolent. Translated into practice, this would suggest that we require fairly well structured system and procedures of human resource management with strong linkages with reward and punishment systems.

Unfortunately, on account of poor quality of human resource management, the quality of knowledge workers has also not been compatible in most of the organisations, what would benefit the knowledge workers today is a complete understanding of human behaviour, through a study of cultural and economic dimension. In organisations where these dimensions are perceived to be low, frustration sets in and the knowledge workers look for an escape route to another function. There is a need for the knowledge workers to think of simple techniques in order to make an impact on the organisation.

Human Resource management includes various basic functions. (1) it has to procure people for the organisation, (2) it has to retain people by adequately rewarding them through a system of compensation, (3) the organization has to satisfy the psychological and social need of employees by providing facilities and systems which maintain good quality

of work, (4) the organization has to ensure that its knowledge workers like its physical, financial and operational resources, gain in value over time. Therefore, it has to provide for continual human resource as well as create organizational conditions which ensure the utilisation and promotion of potential of knowledge workers and the resources within the organisation.

These basic functions of human resource management are common to all or most of the organizations regardless of their location, size, type and nature of activity. However, different organizations may emphasize one or the other function differently. Such differences in emphasis largely contribute to differences in human resource management policies and practices.

The major factors which account for differences in practices are :-

### **Cultural Dimensions**

In a well known study, Geert Hofstede identified four basic cultural dimensions which may account for differences in organisational management and human resource management practices across cultures.

These are :-

- the extent to which a society emphasizes collective rather than individual activity.
- the extent of social inequality;
- the extent of acceptance of uncertainty, and
- the extent to which a society emphasizes “masculine” values and behaviours such as assertiveness, ambitiousness, domination etc.

India for instance, has been identified as a country in which there is a moderate extent of collectivism, a high tolerance of social inequality, general acceptance of uncertainty and a moderately masculine orientation. Such cultural differences would need

to be reflected in the kind of human resource management the organisation is prepared to adopt. For example, in cultures like ours where there is moderate collectivism and a tolerance of uncertainty, organization development (OD) and team building activities may be more acceptable and effective. Contrastingly, in a culture with a high degree of individualism and an intolerance for uncertainty like the USA, systems such as performance appraisal, feedback and counseling may be more acceptable and effective among knowledge workers.

### **Economic Dimensions**

In a mixed socialist economy like ours, corporate policies and strategies are influenced by government regulations, social policies of the government regarding employment and development of disadvantaged social groups, competition from other public and private sector organizations, etc. These factors need to be reflected in the human resource management policies and practices too.

The level of industrialization already achieved in an economy also influences human resource management of the organizations. Other things being equal, it appears that higher level of industrialization results in the development of knowledge workers or organized work-force, whose needs among others are from informal work force in non-industrialized societies.

The sensitive industrial relations climate due to political affiliations of trade unions have made many organisations cautious about applying to knowledge workers the same human resource management policies which they apply to the non-unionised managers and supervisors.

The level of technological sophistication in a resource based organization will also affect a number of organisational related matters such as training, transferability, job rotation,

inflow and outflow of the organization, even the type of climate and interpersonal relationships prevailing in the organization.

In most of the organisations the main focus on human resource management appears to be on training and educational activities. However, there has also been an emphasis on the provision of “support systems”—that is learning on the job. Human resource management also gives emphasis to the building of specific skills. Generally adverse economic conditions have prompted organizations to rely on short term training programmes only to meet the demands of the organisation.

In addition, human resource management is also seen largely as being directly concerned with job performance—either of the present or the future.

### **Non-monetary Incentives**

In the developed organisations human resource management planning and practices cover, among others, employment policy, training, wage and salary policy, staff relations policy as well as welfare policy. Such organizations make strong use of non-monetary incentives to motivate knowledge workers and greater use of monetary incentives with technical and related personnel. The most frequently used non-monetary incentives are good working conditions, employee counseling programmes, participative decision-making and recreation and sports programmes.

There are both commonalities and differences in the ways in which knowledge workers are viewed, utilized and developed in different organisations. Such differences reflect the diversity of cultural, social, political, economic and technological conditions relevant to organizations.

Human Resource Management in India is officially identified with social

development, encompassing quality of life issues. A unique feature of the Indian view is that the range of quality-of-life issues has been widened to include culture. Similarly, there are references to "people's material, cultural and spiritual development", "self-respect", "self-reliance", "life of dignity" and "a new moral code" in official statements.

Recognition, therefore, needs to be given, among others, to the social and economic development of knowledge workers within the organisation.

The question that arises is that the knowledge workers need to have sophisticated system, proper working environment, as these are the basis for productivity and achievement and also

provide the orientation and the ability to learn new skills.

Appropriate recognition of this kind of effort is extremely important for motivating the knowledge workers. Even if the result still falls short of the desired outcome, the organisation needs to recognise and encourage improvement. If the organisations do so, the knowledge workers will eventually get motivated and will go on improving rapidly. Knowledge workers need special nurturing and attention and a creative and positive working environment.

In sum, it is observed that if the concept of planning and development of "knowledge worker" is understood and applied within the organisation at

the right time, in the right environment, it can bridge the gap between practice and preaching as knowledge workers make the organisation dynamic.

This presents a fundamental change in the philosophy of the human resource management. Instead of being organisation oriented, it needs to become knowledge worker oriented. Instead of looking at things from the organisational perspective, the need is to look at things from the knowledge workers perspective. This approach may bring a healthy trend towards the management of human resource particularly the management of knowledge workers within the organisation. □

### **PLANNING FOR AGRICULTURE.... (Contd. from Page 10)**

been very sensitive issues, but they have been very much in public debate in the context of the rising fiscal deficit. Considering the social objectives of subsidies in agriculture and their high political sensitivity, any reforms in the input sectors, involving withdrawal of the subsidies, have to be handled with care by policy makers, who have also to take into account the opening up of international markets for agricultural commodities in the wake of implementation of WTO agreements. As a member of the WTO, we have to remove quantitative restrictions and reduce tariff rates. The import regime will also not be the same. We may trade freely in international markets, but the real issue we have to analyse and assess is as to how it would effect our producers and consumers in terms of efficiency gains and equity aspects. The new trade regime may also affect our natural resource base. These issues need careful and objective assessment. The emerging trade environment calls for appropriate planning for those regions and groups which we expect will be adversely affected. The growth and development of our agricultural

sector will depend on our clear-sighted pursuit of national interests and our ability to respond swiftly to a rapidly changing international economic environment.

Globalisation, however, is not just a threat; it also throws up a number of opportunities. We are richly endowed with natural resources and climatic variety. We have one of the largest reservoirs and potential for biodiversity in the world. There is hardly any crop that cannot be grown in our country. Implementation of WTO agreements is expected to increase our access to the world market. Currently, our share in world export is less than one percent. We need to identify commodities where we have a comparative advantage in the global market. We need to improve our quality standards if we have to compete in the world market. We have the advantage of availability of a relatively cheap and extremely hard-working labour force. We need to assess how this important resource can be utilized more productively to promote labour-intensive activities for competing in the global market.

We also have among us some of the best agricultural brains in the world,

who have always risen to the occasion in the past. I have no doubt that these scientists will again take up the challenge and come up with innovative solutions. The nation expects no less of them.

In the agricultural sector, it is high time that India takes stock of all available technologies and devises ways of using them for foodgrains and other crop production. This not only calls for extensive exploration of alternative possibilities but also requires an immediate long term technology plan for Indian agriculture. In this direction, the frontier technologies, including biotechnology, should be included in the overall work programme so as to get viable solutions to the productivity related problems. Some of these technologies are capital intensive. In their case, one may consider cooperation between industry and Government to exploit economies of scale and overcome capital and infrastructure deficiencies. Finally, I would like to reiterate that our country has great expectations from its agricultural scientists and the system which is responsible for transferring agricultural technologies to the farmers. □

# High Density Orcharding in Fruit Crops

Bikash Das and A.K. Sureja

*Horticultural crops occupy a meager proportion of fertile lands, but has a major role in providing a balanced diet to the people. In this context high density orcharding is a suitable option to increase the fruit production of the country.*

**F**RUIT CROPS PLAY a significant role in a developing country like India. They not only provide for protective food in the diet of the increasing population, but also help in enhancing foreign exchange earning of the country. Though India is the leading fruit producing country in the world, the average productivity of Indian fruit orchard is very less (10.70 tonnes per hectare) as compared to the potential productivity of 42 tonnes per hectare. With an annual production of 46.97 million tonnes of fruit from an area of 4.54 million hectares, the per capita availability of fruit is 99.18 grams which is much below the minimum requirement for a healthy diet (130 grams). To meet the demand of fruit for 2002 AD the total fruit production has to reach 59.5 million tonnes. This, needs an effort to increase the productivity along with increasing the area under fruit cultivation. The mounting pressure on agricultural land due to the ever increasing population has necessitated for developing technology to produce

more fruits from less area.

High Density Orcharding (HDO) is one of the technologies for increasing the fruit yield per unit area. High Density Orcharding can be defined as planting fruit trees at a density in excess of that which suffices to give maximum crop yield at maturity if individual tree grows to its full normal size. In other words, it is the planting at a closer spacing to accommodate more number of plants per unit area. The concept of HDO has drawn considerable attention of the fruit growers all over the world.

The technology for HDO is based on the principle of maximum utilization of solar energy and other natural resources per unit area. HDO has the following advantages:

1. Maximum utilization of land and space
2. Higher nutrient and water use efficiency
3. Higher interception of solar radiation
4. Higher efficiency of fungicidal and pesticidal spray due to greater degree of spray interception
5. Effective control of weed growth
6. Allows mechanization of fruit production

High Density Orcharding is already a success story in fruit crops like apple, banana, pineapple, mango etc. which is evident from the table :

Crop	Spacing		Yield (tonnes per hectare)	
	Traditional method	HDO	Traditional method	HDO
i. Mango	10m x 10m	2.5m x 2.5 m	7.5	19.2
ii. Apple	7.5 m x 7.5 m	3m x 3m	4.5	15.2
iii. Citrus (Kinnow)	5m x 4.5m	1.8m x 1.8m	8.2	17.5
iv. Banana	2.4m x 2.4m	1.8m x 1.8m	37.9	52.4
v. Pineapple	20,000 plants/ha	72,000 plants/ha	59.4	102.2

## Methods of HDO

The only way to increase the plant density in an orchard is by planting at a closer spacing. But the limit of closeness depends on plant growth habit which in turn, is determined by a complex of integration of factors like cultivar, management level, soil status and economic considerations.

High Density Orchardling can be achieved by

- (A) Controlling the size of the tree
- (B) Improved planting system

### (A) Tree Size control

The size of the tree can be controlled by the following methods.

- (i) Planting of genetically dwarf varieties like Amarpali in mango, Pusa Nanha in papaya, Dwarf Cavendish in banana, PKM-1 in sapota etc.
- (ii) Use of dwarfing rootstocks like M9, M27, for apple; Jhar Ber (*Zizyphus rotundifolia*) for ber; karna khatta for kinnow mandarin; Chinese guava; Aneuploid 82 for guava; Olour, Vellaicolumban for mango, etc.

(iii) Use of growth retarding chemicals like AMO1618, CCC, Ancymidol, Paclobutrazol, etc. Paclobutrazol (Cultar) has gained commercial application in mango.

(iv) Pruning to remove the apical portion which results in a compact and bushy tree through stimulation of lateral bud growth. This has been successfully done in grape, apple and mango.

Various training systems like spindle bush, dwarf pyramid, espaliers has been proved to be effective for HDO of apple and other temperate fruit crops.

(v) Controlling root growth for reducing vegetative growth e.g. in peach.

(vi) Use of viral infection in crops like citrus and apple.

### (B) Improved Planting system

The various planting systems adopted in fruit crops are square, triangular, quincunx, rectangular, hexagonal, hedgerow, and cluster planting. Out of these, triangular and square systems are followed for HDO

of mango, kinnow, banana, papaya and hedgerow for apple and pineapple.

## Demerits

1. Higher incidence of some diseases like leaf spot and finger tip of banana
2. Poor quality of the fruits eg. skin colour in apple
3. Higher initial cost of orchard establishment
4. Lower longevity of the plants

## Future thrust

1. Standardization of production technology of various fruit crops under High Density Planting (HDP)
2. Improvement of quality of fruits
3. Identification of suitable varieties and rootstocks for HDO.

In India, horticultural crops occupy a meager proportion of fertile lands, but has a major role in providing a balanced diet to the people. In this context high density orcharding is a suitable option to increase the fruit production of the country. □

## Attention Contributors

1. Yojana welcomes articles on contemporary socio-economic topics. The write-up may be upto 1800 words or 6-7 pages in double space. It should be in original and not a duplicate copy. All tables and statistics should mention the source. Black and white photographs relevant to the subject are also welcome.
2. Articles should be free from technicalities. No research dissertation, please
3. Articles should carry an authenticity certificate attached to it. It should mention that the enclosed article is original and not given for publication elsewhere. Unauthenticated articles will not be considered.
4. As a rule, articles not used are returned. However, articles do get misplaced in transit. Hence, it is advisable to retain a copy of the article mailed to Yojana.

# Child Labour

## The Challenges Ahead

Jayantilal Bhandari

**T**HE WORLD BANK Report published in the first week of January, 2000 has revealed that there are six crore working children in India including the one and a half crore bonded working children. No doubt, the elimination of child labour is a big challenge for the country. A progressive as well as integrated approach has been adopted by the Government in order to resolve this intense socio-economic problem.

With the heralding of the new millennium, the problem of child labour stands as one of the most important global challenges. Billions of children in the world today turned into child labour due to various socio-economic problems.

In the densely populated poor and the developing countries, the child labour problem is passing through a miserable state and India is also regarded as one among those countries. The number of working children in the country is very large. People as well as the public representatives are greatly concerned with the magnitude of the problem in the new millennium.

The intensity of the problem was understood as early as five decades back when the Constitution of India was framed. Provisions have been laid down in the Constitution prohibiting employment of children in factories. Under Article 24, it has been stated that no child below the age of fourteen years shall be employed in any factory or mine or other hazardous occupation

or work. Similarly, Article 31 provides that the State shall endeavour to provide in its policy specially to ensure that youthful age of the children is not abused and they are not forced to accept an employment detrimental to their age and physical ability owing to any economic compulsions. Children are provided opportunities to develop their facilities in a healthy manner and in free and respectful situations. They are protected against exploitation of their childhood and youth and against moral or physical abandonment. Article 45 provides for free and compulsory education for children under the schedule of the Child Labour (Prohibition and Regulation) Act, 1986, and employment of the children is prohibited in 12 occupations and 51 hazardous processes.

The Government of India formulated the national child labour policy in 1987 in order to tackle the child labour problem. An action plan has been made under this policy which includes a statutory action plan for benefitting the working children. Focus has been laid towards launching a project based action plan in child labour endemic areas where children are engaged in paid and under-paid occupations. Similarly, the government's approach towards the child labour problem has been described in the National Agenda for Governance (1998). The agenda mentions the steps to be taken for the elimination of child labour in the country, that include rehabilitation, implementation of the National Child Labour Projects, grants-in-aid to the voluntary agencies and International Programme for the Elimination of Child Labour etc. For the rehabilitation of working children, special schools and centres have been established where there is provision of informal education, vocational training, nutrition etc. for the children relieved from work. Under this

*The problems of child labour stands as one of the most important global challenges. Billions of children today are turned into child labour due to various socio-economic problems.*

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Dr Jayantilal Bhandari is Advisor (Research) Min. of Labour.

project, so far 2418 schools have been established in 85 districts in which 139494 children have been enrolled. Most of such schools and beneficiaries are in the states of Andhra Pradesh and Orissa.

Considering the magnitude of the problem, an international programme for the elimination of child labour has also been implemented in India by the International Labour Organisation. Under this programme, financial assistance, awareness, creation, rehabilitation and education etc. are provided for the elimination of this social menace. Even in the International Labour Conferences held during the year 1998-99 effective efforts were made by India for presenting a resolution on child labour. Apart from these number of child labour study groups and Committees i.e. Harbans Singh Committee, Gurpadswami Committee, Sanad Mehta Committee, Singhvi Committee etc. have given their respective valuable suggestions. Even after these various efforts, the number of working children in India is really astonishing. As per 1981 census, the country had 1.36 crore child labours which has come down to 1.13 crore in 1991 census. These statistics relating to working children are taken at the time of figures collected during census. In fact, the number of the working children in India could be even more. This higher side figure could be because the maximum number of working children are in disguised form. These children work in agricultural farms, conventional industrial occupations. Many are engaged with their poor parents as companions, helpers. Andhra Pradesh constitutes the largest number of working children in the country where there were 17 lakh of working children as per 1991 census. The other states having more than 10 lakh working children are Madhya Pradesh, Maharashtra and Uttar Pradesh. More

than 90 per cent of these children are engaged in rural sectors i.e. agriculture and its allied activities like harvesting, farming, animal husbandry, forestry and fishing. In 1981, the country had a total of about 22.3 crore work force in which the number of working children were 1.36 crore which constitute about 6 per cent of the total work—force. But in 1991, the country had a total work-force of 31.4 crore that included 1.13 crore working children which constitute about 3.51 per cent of the total working population. Presently, the child labourers are concentrated mainly in the industries of Sivakasi (matches and firework), Firozabad (glass industry), Khurja (poultry), Srinagar, Mirzapur-Bhadohi (carpet), Moradabad (Brassware), Aligarh (lock making), Jaipur (jems and jewellery), Sagar (biri), Mandsour (slate industry) etc. The latest report of the World Bank reveals that child labourers in India are forced to join the works ranging from prostitution to hazardous occupations. In the state of the West Bengal trade of child smuggling is flourishing. For want of suitable work conditions at the work place and owing to involvement in hazardous activities, lakhs of child labourers have become permanently sick.

Casteism, poverty, family size and income, level of education etc. are some of the major factors that have intensified the problem of child labour in India. Gurupadswami Committee has revealed in its report that the child labour problem is a result of poverty and elimination of poverty in itself a great problem. Therefore, this committee has justified prevalence of child labour in cases where children are made to work according to their physical capacity, for a fixed number of hours and with sufficient arrangement for education, recreation and relax and with the condition that the said employment shall not cause insecurity to health of the children.

No doubt, the child labour problem is an intense socio-economic problem in the country that requires a long term multi-pronged strategy to be carried out on a continuous basis. This strategy should include enforcement of Child Labour Acts, strengthening of primary education in the rural areas, rehabilitation of the child labour, improvement of economic conditions of the parents of the child labour through various poverty alleviation and employment generation programmes as well as prevention of children joining the work. It is also necessary that a strong evaluation and monitoring be done for the various child labour elimination programmes and projects. Strong enforcement of the Labour Acts may be done to ensure legal actions against those who employ children for work.

Lakhs of child labourers in this country are eagerly waiting for the day when they are free to play. □

### **IT Ministry launches 'Operation Knowledge'**

To meet the increasing global demand for Indian skilled manpower in the new economy sectors like software and internet, IT Ministry has launched a programme 'Operation Knowledge' to be implemented by June 2001. The Ministry has begun preparing a blue print on finding out ways and means to meet the demand for Indian infotech and the draft would be ready within a month. The draft which would be referred to the Ministries of Human Resources Development and Finance would be submitted by the end of this year.

# Polio Eradication : The Countdown Begins

C.A. Sivaraman

**I**NSPIRED BY the elimination of small pox from the earth in the 1970's, a landmark achievement in the annals of public health, the World Health Assembly (WHA), in 1988 unanimously resolved to eradicate poliomyelitis by 2000 AD. This resolve of the WHA was re-affirmed by the World Summit for Children, represented by 166 nations held in 1990. Thereafter great strides have been made globally towards this gargantuan task to eliminate this crippling childhood disease. Most of the nations have been doing very well, many of them in spite of severe odds. A host of international agencies like the WHO, UNICEF, Rotary International and the World Bank, many specialized institutions, myriads of voluntary non-Governmental Organizations, a large number of political, social, film and sports luminaries, besides the political will of all the nations have been working in unison Target Zero - 2000 AD. It is really unprecedented in the realm of public health partnerships.

Polio is rapidly disappearing from countries in North, South and East Africa. Now the wild virus transmission is more or less confined to parts of Asia and Africa : notably, India, Pakistan, Bangladesh, Nepal, Afghanistan, Myanmar, Nigeria, Ethiopia, Angola, Democratic Republic of Congo, Somalia, Sudan, etc. Recognizing this scenario the WHO in May 1999 has decided to

launch the final assault on polio through an accelerated campaign. Surely, the countdown has already begun. The outlook is one of great optimism.

Distressing to state, presently India has the dubious distinction of accounting for 70% of the world's reported cases of polio, and thus today perhaps India holds the key to global eradication of polio. A situation almost similar to this was witnessed in the 1970's in India when the world was very close to eradication of small pox. No wonder the then Chief of Small pox Eradication Programme, WHO said "The elimination of this disease from a nation as vast as India, from a population of some 600 million, from a country in which the social, religious and geographical obstacles are as diverse and plentiful as its people—this is an achievement worth documentation." The polio scenario in 2000 in India vis a vis the world is akin to the scenario in 1974 for small pox eradication. Concentrated point-action of both Govt. of India and WHO in mid 1970's in India had led to eradication of small pox in India and the world at large. Adequate note of this special situation concerning polio eradication was already taken and an intensive campaign is in progress in India since 1997. The year 1999 registered a total of 2395 cases (reported), which is just one percent of the total number of reported cases in 1998-99 in India. Presently the goal is to achieve polio zero status in India and its neighbouring countries atleast by 2002, so that after 3 years of observation, by 2005, the world could be declared polio free. What is achieved in India and elsewhere is spectacular; but what remains to be achieved is indeed uphill and treacherous.

The WHO has estimated that the requirements of international funding for polio eradication for a period of

*As we reach near the goal of polio free status, the surveillance system should be fool proof.*

Mr C.A. Sivaraman, who is a Microbiologist, has been closely associated with polio eradication programme.

1998-2005, will be US\$ 1000 million in addition to the huge national contributions made by each country, to realise the final goal of global eradication. The contributions made so far by the Rotary International to this programme has already exceeded US \$ 400 million. Polio eradication has been a key programme in the health sector in India and it is redeeming to note that Govt. of India has never allowed it to suffer for want of funds. The Indian programme has been recurring substantial international assistance. Optimism prevails to the effect that international community will rise to the occasion in finding enough funds to sustain this noble cause. Poliomyelitis was known for over 3000 years and has been the cause of crippling several millions of people. Currently, an estimated 10-20 million people paralysed due to polio are there in the world. The huge social impact and the cumulative economic burden of maintenance of a large population of paralysed individuals and also the loss of productive manpower has earned polio the dubious distinction of being the number one public health problem.

Poliomyelitis is caused by three types of RNA viruses : Types I, II & III. Polio is essentially a disease of human beings and there is no animal reservoir. The human infection sets in through contaminated water or food. The route of spread of these viruses is faeco-oral. These viruses multiply in the alimentary system and therefore are called enteroviruses. The incubation period generally varies between 4 to 35 days. The infected person sheds large number of viral particles through faecal matter. Over 99% of infections go unnoticed as these present no significant symptoms. Only in rest the infection leads to noticeable illness characterised by paralysis in few of them.

From the site of multiplication the virus enters the blood stream and then

invade the Central Nervous System (CNS), leading to inflammation of nerves in the spinal cord and brain. This leads to paralysis of muscles of chest, leg and arm. Paralysis is irreversible. Like most other viral infections, there is no treatment for polio. Prevention is the only means of control. In an unimmunized population polio was found to cause lameness in 20-25 per 100,000 population. Thus in the absence of an immunization programme about 2.5 lac children would have become lame every year in India.

Vaccination against polio was the only cost effective method for control/prevention. Two effective vaccines came in to common use around the year 1960 :

- (a) Inactivated polio vaccine (IPV) and
- (b) Oral polio vaccine (OPV).

The IPV was developed by Jonas Salk (hence "Salk vaccine") and it contained a suspension of the 3 type poliovirus particles rendered inactive/killed by chemical means. The IPV is required to be administered as an intramuscular injection (hence-"Injectible polio vaccine"). IPV was the first polio vaccine used for mass immunization. Some countries continued to use only IPV with marked success.

The OPV was developed by Albert Sabin (Hence-"Sabin Vaccine") and it contained a suspension of live attenuated virus particles representing the three types of polioviruses. It is to be administered orally and hence called "Live Oral Polio Vaccine." Two standard drops fed into the mouth of a child constitute one dose. Most of the countries adopted OPV as the vaccine of choice for specific reasons : It is easily given orally as drops : do not require sterile needles and syringes : an ordinary health worker with minimum training can administer it :

and it was relatively much cheaper. The vaccine virus in OPV infects the recipient's intestinal cells, multiplies and at the same time elicits an immune response and sheds a large number of viral particles through the excreta. It is akin to natural infection and immunity, sans the disease. The vaccine viral particle thus released into the environment spreads among the population faeco-orally and caused "herd immunity" — a certain degree of immunity to unvaccinated individuals. Colonization of the gut by the vaccine strain of polio virus acts as a barrier to infection by wild polio virus. The gut immunity thus elicited through vaccination will be more effective as it includes particularly IgA class of immunoglobulins apart from IgG class. However OPV is known to be highly heat liable and hence require extensive cold-chain infrastructure to ensure its potency at field levels.

OPV was the vaccine of choice of WHO's anti polio campaign globally under the Expanded Programme of Immunization (EPI) since its inception in 1974. By far this vaccine has been instrumental in the drastic global reduction of the disease burden in the last 2 decades; bringing it to the point of near total eradication today.

In India, eradication effort were started in 1978 through the introduction of EPI against major childhood diseases including polio. It was later termed as the Universal Immunization Programme (UIP). Late Prime Minister Rajiv Gandhi converted the UIP into a Technology Mission on Immunization, gave it a thrust and focus, placed enough resources as well as political will, with the goal of achieving drastic reduction in disease burden concerning 6 childhood diseases such as Poliomyelitis, Diphtheria, Pertussis, Tetanus, Tuberculosis and Measles within a specific time limit. OPV was the vaccine of choice in India for

control of polio since 1978. The achievements in India so far have been spectacular, featured by drastic reduction of polio cases from an estimated 2.8 lac cases in 1987-88 to less than three thousand in just 11 years.

The current WHO strategy in practice in India has been known for four main elements :

- (1) Routine immunization of all new borns with 3 to 4 doses of OPV : one month apart;
- (2) Supplementary doses to all children 0-5 years through National Immunization Days
- (3) Mopping up operation to identify those children who missed stage (a) and (b) and vaccinate them : and
- (4) Enhancement surveillance for wild virus circulation

National Immunization Days (NID's) was a special feature of the pathbreaking success of anti polio campaign in the last decade in the Americas. Organised twice in a year, the NID's soon became an essential tool for polio eradication all over the world. Under the accelerated WHO strategy, through NID's, 450 million children were immunized by 1997. Countries like Democratic Republic of Congo, Liberia, Sudan, Somalia, Afghanistan, Iraq, Angola, Cambodia, Philippines etc. due to military / civil conflicts could not hold NID's. However, it is redeeming to note that all these countries were enrolled for NID's. However, it is redeeming to note that all these countries were enrolled for NID's in 1998-99.

Since 1995, India has been holding NID's with remarkable success. The NID's held in 1998-99 in India is considerable as the biggest public health effort ever in a country as it immunized about 134 million children against polio. The Indian campaign

was truly mammoth as it received exceptional political and NGO support; it involves 5 million health workers and 10-15 million volunteers as it established 6,50,000 vaccination booths. A media blitz was orchestrated. In spite of this, about 13 million of the target group children was missed-out in 1998-99.

**The progress achieved so far in India and the rest of the world is indeed spectacular. Almost three fourth of the world is now free from this crippling disease.**

The distribution of reported cases of polio in India in 1998-99 did present a special situation. Circulation of wild virus in India was more or less under control in a large part of the country. The state of Kerala has been free from polio for the last 3 years, Himachal Pradesh and Mizoram have also become polio free. States like Tamil Nadu, Karnataka, Andhra Pradesh, J&K and many states in North-East have reported fewer cases. A large majority of the 4315 cases reported in 1998-99 came from Uttar Pradesh, Bihar, West Bengal, Assam, Madhya Pradesh, Rajasthan, Gujarat and Orissa. The Govt. of India, has therefore embarked upon on a unique effort from 1999-2000 to curtail the remaining foci of circulation of wild virus by introducing NID's beginning October, 1999 followed by 2 more rounds restricted to the 8 problem states; mostly in the gangetic belt. It was planned to reach out to about 150 million children from Oct., 1999 to March, 2000. This historic effort of India had consumed an unprecedented 1200 million doses of OPV in 1999-2000.

In India by March 2000, as per available reports, the programme has recorded major success. No fresh

cases of polio were reported from Kerala, Himachal Pradesh, Mizoram, Andamans, J&K, Manipur, Tripura, Meghalaya, Arunachal Pradesh, Nagaland, Lakshadweep and Sikkim. More than 81% (1943) of the total 2395 cases reported in 1999 are from the "gangetic belt", mainly West Bengal, UP, Bihar and also Rajasthan. In contrast the total contribution of the 4 southern states was a mere 110 cases in 1999 (4.5%).

In the year 2000-2001 it is also planned to hold 4 NID's all over India and 2 additional NID's in identified problem states. The key problem states this year includes surprisingly the capital city of Delhi apart from UP, Bihar and West Bengal.

"Polio anywhere is polio everywhere," as the polio virus does not recognise international borders. The Americas were certified polio free in 1994. However, they are forced to continue vaccination even today, at a big cost, as progress in certain parts of Asia and Africa is far behind. The question is how long these polio free countries should wait? Thus it becomes the moral responsibility of countries like India to the world to reach polio free status at the earliest. Public opinion against any more NID's was reported from Kerala last year. With 3 years of polio free status, a section of Kerala's highly informed public believes that only routine immunization of newborns would be necessary for Kerala. The attempt to "impose" NID's, after attaining polio-free status was resented as an effort to boost vaccine sales "of MNC's or to use "Keralities as "guinea pigs."

It is feared that as cases dwindle Govt.'s commitments tend to wane and generally people perceive the threat as insignificant. Time has come for India to stand fully committed to this great international cause. While acknowledging the fact that Indian

antipolio campaign has been receiving the required political support from Govt. of India a senior programme Manager in the Union Ministry of Health expressed concern on :

- an ageing cold chain
- inadequate commitment from large states like UP, Bihar etc.
- inadequate surveillance, need for third party evaluation, mopping-up operations etc.
- problems arising out of uncontrolled migration of unprotected labour from neighbouring countries.

As we reach near the goal of polio free status, the surveillance system should be fool proof. An effective surveillance machinery will help in monitoring actual vaccination coverage especially in inaccessible or difficult areas and populations, identification of any persisting wild virus foci and case detection, planning timely mopping-up operations etc. In the absence of an effective surveillance system certification of polio-free status of a country is bound to delay which would mean continuation of vaccination at a high cost. A major effort has been underway in all polio endemic countries to refurbish the surveillance machinery. The WHO has made special mention of the significant progress achieved by India in the sphere of activity. In the last 3 years— one of the special problems India has been facing in its eradication efforts was the poor vaccination coverage and the absence of optimum surveillance mechanisms in neighbouring countries like Pakistan, Bangladesh, Myanmar etc. It has been a cause of global concern. As the surveillance machinery reaches out far and wide more cases will be detected, like the recent report on the increase in number of cases in Delhi. Such information are vital to plan timely mopping-up

operations as prescribed by WHO. The surveillance work in India also revealed that atleast in West Bengal and Delhi a significant proportion of reported polio cases are contributed by Bangladeshi migrants. Cross border migration of labour need to be monitored more intensively. Therefore, it is important for India to further intensify its strategies at tandem with its immediate neighbours. A major step in this direction was that the NID's were planned in all these countries at the same period.

Utmost vigil is required to ensure the quality of the vaccine upto the last user end. While quality of OPV used in India is strictly ensured at the manufacturers end by the National Quality Control Authority, its efficacy at the user end, primarily on account of heat liability while in transit and storage has been at times a cause of concern. Extensive cold-chain infrastructure exists in India. Further, the Indian programme has made it compulsory to affix 'Heat Marker Vaccine Vial Monitor Labels' on vaccine vials from 1998. These imported labels carry a spot impregnated with a chemical which is heat sensitive, it will change colour if the vaccine vial is exposed to higher temperatures. A Health Worker or even lay person can easily judge the quality of vaccine being administered. The Programme Manager, it is learnt, continue to grapple with poor compliance on account of cold chain maintenance especially in large states like UP, Bihar, Madhya Pradesh etc. Promising research leads are now available, like use of deuterium oxide to increase the stability of OPV.

Backed by a strong political will, the higher degree of public awareness strenuously built over the last decade or so and the vast infrastructure and required man power in place. I am sure India is poised to "kick the wild polio virus out," if not by 2000 AD but

atleast by 2003 AD. At that stage, in the absence of any precautionary measure, the problem of vaccine associated polio would come to sharp focus. It will be opportune on the part of programme planners in India to institute now itself necessary safeguards to prevent this.

In the USA a decade ago cessation of wild virus circulation was achieved which left the US population with a few cases of proved vaccine associated polio per year. This lead to several litigations and imposition of huge penalties and it was proving to be a cause of major erosion of public faith in polio vaccination. Confronted with this tricky situation the US soon changed their immunization strategy. This modified strategy included 2 primary dose of IPV followed by 2-3 doses of OPV. If we accept the lessons from the US experience, it is time to state primary immunization with the combination of IPV and OPV in India.

The progress achieved so far in India and the rest of the world is indeed spectacular. Almost three fourth of the world is now free from this crippling disease. Polio eradication efforts had its moments of pride when even countries like Afghanistan, Angola, Somalia, Sudan, Democratic Republic of Congo, Sri Lanka & Iraq etc. badly affected by civil/military strifes have come forward to declare ceasefire to hold NID's. The circulation of the disease causing wild virus persists now only in parts of Asia and Africa. Intensified efforts are in progress in these countries which includes India. From an estimated 2.8 lakh cases per annum, 11-12 years before in India the programme has achieved a case reduction to the tune of more than 99%.

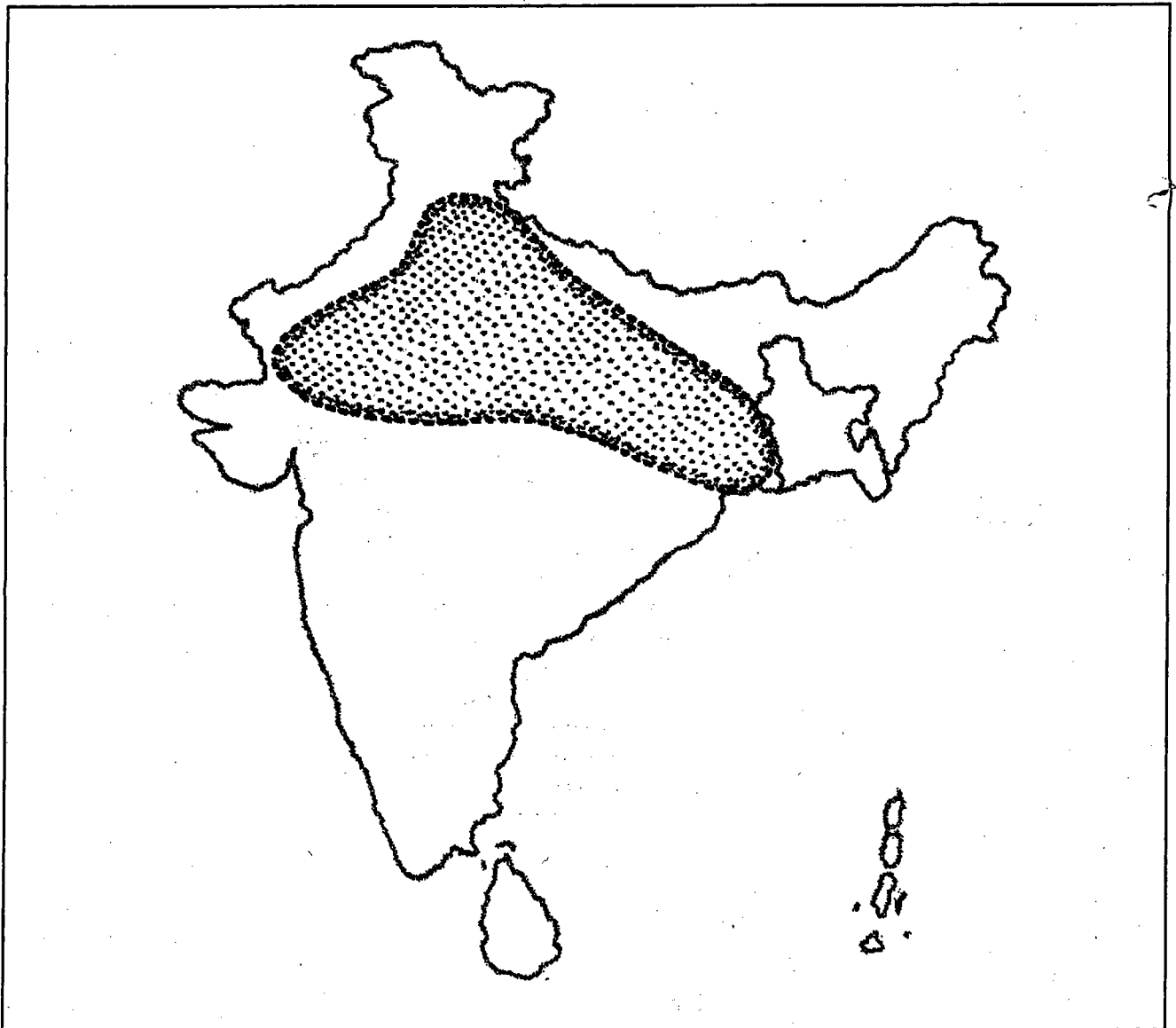
The intensified campaign currently underway in India is expected to attain polio free status in India by 2002-2003. Thus, after the mandatory period of 3 year observation the

WHO's special Expert Committee may declare India polio free by 2005-06. Alongwith India, if the countries in our neighbourhood and a few other African countries could gear up their anti polio campaign to desired levels, the prospects of a polio free world by 2005-06 could be a reality. Today, the memory of small pox, which once caused

dreaded pandemics all over the world is reduced to the typical pock marks on the face of some individuals who suffered from it decades back. To the new generation of Medical graduates it has already become a part of history of medical sciences as they could not see a single case. Similarly, Poliomyelitis should also become a

thing of the past, however, its vestiges shall be with us probably for some decades in the form living paralysed individuals. Let us strive to make India and the rest of the world polio free, make this world a safer place for the children of this millenium and thereby reduce human suffering and improve quality of life.

### Polio Occurrence In India, 1999



The area marked account for about 81% of total reported cases in India as on 1.01.2000. It is significant to note that this forms about 55% of total cases reported all over the world in the same period.

# Empowering Women

Sakuntala Narasimhan

*It is awareness,  
rather than  
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difference.*

**E**MPOWERMENT IN THE real sense of quality of life, does not necessarily follow with rising money incomes or longer life spans, (which from the conventional yardsticks of 'progress' and 'development'). A woman may live in the midst of material comforts in a luxurious palace, and yet be powerless in terms of self-assertion or autonomy over her own life. It is therefore not so much the percentages and statistical figures that I want to spotlight but evidences of the kind of increasing autonomy that empowers women as individuals in their own right, with entitlements in terms of dignity and decision-making prerogatives.

One myth that we need to address and discard at the outset is the assumption that empowerment is necessary only for rural women. While it is true that in some ways the average urban woman is better off in comparison with her rural counterpart, this simplistic compartmentalisation into rural/powerless and urban/empowered presumes that urban women are not in need of empowerment. This is of course manifestly incorrect because gender-linked impositions are as much a part of metropolitan women's lives as they are of rural women's lives.

The overall picture is, to use a simile, like a half-filled glass—one can either look at the half that is full, and take pleasure in the fact that it is filled, or look at the half that is still

empty and spotlight what remains to be done. Both assessments, positive as well as negative, would, in such a scenario, be equally truthful.

The positive aspects, first.

**Economic Empowerment :** Compared to two generations ago, wage rates and earnings have undoubtedly gone up, both in the rural and urban areas. Far more women are now in the work force, as salaried employees, in a variety of jobs. Whether it is construction workers at the lower end of the economic spectrum, or women administrator and scientists, women today are economically better off than they were at the time of independence. This economic empowerment is not merely in monetary terms but also in real value terms, whatever indices and base years one employs for comparisons. Bima Chakma is a tribal woman hailing from North Tripura. She works in the Clerical cadre, in a government office in the state capital, Agartala. Though she lives in a bamboo hut, her salary of Rs. 3,800 (which went up to Rs. 7,000 after the pay commission revision of scales) is of level that would have been unthinkable, just one or two generations ago. Likewise, the minimum wage that Parvati commands, as a coolie labourer, in metropolitan Bangalore, is two and a half times what her mother Sushila, also a construction site labourer, received when she started work fifteen years ago.

Farm workers of Ennaram village in Andhra Pradesh now get Rs. 15 as daily wages where as just eight years ago they could command no more than Rs. 8 or 9. Ramya, who is an urban slum dweller, now makes around Rs. 400 per month as domestic help in a couple of houses where ten years ago she got less than Rs. 100 for the same work. Examples like this, can be found in plenty.

Under post independence

Ms Sakuntala Narsimhan is a Journalist based in Bangalore.

enactments, daughters inherit equally with son, and this is another dimension of economic empowerment.

### **Social Empowerment**

For today's women, fewer things are in the category of 'not done', compared to the time of independence. Remaining unmarried beyond one's teen used to be, in the early decades of this century, socially 'scandalous'. Most women of our grandparents' generation, whether in the urban or rural areas, were married off at the tender ages of 8 to 11, and were mothers by the time of their middle teens. This has changed, both socially-culturally and legally, with the passing of the Child Marriages Restraint Act. The average age of marriage for girls is around 18 (which is the legal age for marriage).

Doubtless, a few child marriages do indeed still take place (especially in areas like Rajasthan, during the annual Aka Teej festival, for instance, or in interior areas of the relatively more backward states, but the practice of child marriage is not as pervasive as it used to be once

There are tens of thousands of women who are today able to combine economic empowerment with social empowerment. Travelling on work assignments, for instance, is no longer taboo. Men today work under female bosses, in administration, education and other lines, without raising social censure or shock. Women working in banking and finance or business enterprises as entrepreneurs are no longer seen as aberrations.

Social empowerment is visible in the matter of fewer rules of socio-cultural segregation too. This is true not only with reference to women in 'purdā' but even ordinary middle class urban women who used to be forced to isolate themselves every month during menstruation, in the name of 'pollution' and impurity.

Their food used to be shoved across

the floor from a distance, they could not sleep in their usual beds, or enter the kitchen or touch anything around the house. Even their children could not be touched. This humiliation and recurrent embarrassment is no longer the lot of the average Indian woman. This custom of isolation meant that even young girls of 12 or 13 had to drop out of school, just one or two generations ago. Social segregation and intellectual empowerment were thus related. Widows are no longer transferred or shunned as 'inauspicious' the way they used to be, two generations ago.

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**Travelling on work assignments, for instance, is no longer taboo.**

Just six decades ago, when Rukmini Devi Arundale decided to take up classical dancing as a profession, she created social storm because this was just 'not done', for a woman from a 'respectable' family. Today, thousands of girls learn dance and acquire cultural fulfillment, without facing opposition. Similarly, women could not take to music as a serious pursuit unless they belonged to the devadasi community (who were considered disreputable). Today, women musicians not only win encomiums on par with men but also travel overseas with no inhibitions. Women play instruments that were considered 'male bastions' till very recently—the shehnai, ghatam, sarangi, mridangam, kanjira, were all male preserve till two decades ago.

Women composers used to be considered inferior, not worth the

deference that male composers received. From Meerabai to Akkamahadevi to Lalded, women composers were ridiculed and called 'mad' because they did not fit into the traditional mould of feminine behaviour. This is no longer true. Even in matters of dress, the cultural imposition are far more relaxed today. Three decades ago when I put on salwar kameez to play tennis at a south Indian university. I raised eyebrows.

Today's girls and women have taken to the salwar kameez as a nation wide preference, and the restrictive nine yards sari that married women were required to be swathed in, is almost completely gone, enabling more physical ease of movement.

### **Political Empowerment**

For sixteen long years in the history of post-independent India, the country was led by a woman prime minister. Although this did not mean that the entire female populace of the country could claim empowerment, it did have its psychological repercussion in terms of assuring even illiterate rural women that a female could, and did, reach the highest rungs of political office. With the passing of the 73rd amendment to the Constitution earlier in this decade, for one third reservation of seats for women at the local government level, over one million rural women have come into panchayat posts, as sarpanch or adhyaksha or members of community administration. This kind of political empowerment is described as unprecedented even in the developed countries of the west. Many of the panchayat women are illiterate and poor and come from backward communities, and yet, many of them have proved their mettle and won acclaim as able administrators.

Fatima Bi of Kalva village in Andhra Pradesh, who is unlettered and had never seen a city, became sarpanch

of the village through reservations under the panchayat legislation, and last year flew to New York to receive a U.N. award from the secretary general, for her work in terms of poverty alleviation.

Sudha Patel, a 21 year old blind girl of Changa village in Gujarat, became a sarpanch in spite of her handicap, and went on to win the Outstanding Woman Panchayat Leader award at Delhi earlier this year. She is in addition, a post—graduate degree holder—and has still chosen to serve in a village, in a post that pays a nominal Rs. 30 a month as honorarium, for taking on the responsibilities of a sarpanch. (Even this amount, she is reported to have waived.). Under her supervision Changa has been “transformed from a backward village without proper roads or adequate drinking water, to one with pucca roads and other amenities” as one report puts it. Hundreds of other women who have come in to panchayat administration, are now learning to assert themselves and participate in decision making at the community level. Despite initial troubles, many of them are also enthused enough to set their sights on more ambitious participation at the regional and national level too.

In terms of percentages, women's representation in parliament and state assemblies may not seem significant, but statistics do not always reflect the reality of changing perceptions at the community level—in Andhra Pradesh for instance, 25,000 rural women turn up for 'Mahasabha' gatherings, and pass resolutions demanding their rights as citizens, inspite of their poverty and illiteracy. It is awareness, rather than conventional schooling or education in terms of degrees or number of years in classrooms, that makes a vital difference.

Lakshamma of Narsinkupe in Arkalgud taluk has studied only up to

the third class and is a 35 year old widow of the scheduled Caste, with three children to bring up. She works as a coolie. The women of her village elected her to the panchayat, and she has brought electricity to her village, with a water tank next on her agenda. Manavva, another young sarpanch of Karnataka, fought against a corrupt administration despite her illiteracy, and is determined to serve her community to the best of her ability. This kind of political empowerment, particularly in the rural areas was inconceivable till a few years ago.

### Psychological empowerment

The Indian cultural ideology that females are heir to right from a young age, calls for self—effacement and looks upon suffering as an 'exaltation' of feminine goodness. girls are indoctrinated in the conviction that they are, as females, 'worthless' and not entitled to claim anything, even as individuals. This imposition too has been significantly broken (although such deep—seated ideological rearing cannot be wiped out in a generation or two) so that girls and women learn to think of themselves as citizens with legitimate entitlements. Whether it is the right to vote according to her own choice and inclinations, or the choice of subjects for study, women have autonomy to a far greater extent than what their earlier generations had.

Part of this empowerment is the reproductive rights that women can now claim. Where once women had seven, eight or more children without thinking upon the issue as one involving choice or voluntary decisions, now women have a range of contraceptive choices made available, and are in a position to exercise this choice to restrict their families. This significant physiological autonomy is a feature of the changes wrought in just one generation of women. In fact, compared to women in some of the economically advanced countries, Indian women are able to access

medical termination of unwanted pregnancies with far greater ease and far less social-familial censure.

These are some of the 'full glass' aspects of the scenario. Those who wish to highlight the 'half empty' portion of that same glass, could quite legitimately, spotlight the undeniable aberrations that still mark our society—female babies are still unwelcome in some communities, the preference for sons is still strong; and female infanticide or feticide does take place, in pockets of Tamil Nadu and Rajasthan (for instance). Crimes against women—from rape to eve-teasing, molestation and sexual harassment—do get reported with depressing regularity in the media. Drop out rates for girls is still higher than that for boys, and in terms of health parameters too women fare worse than men (hospital admissions during sickness, nutritional status, etc.). Dowry is still a problem inspite of the Dowry Prohibition Act. And yet, we can take legitimate pride in the fact that unlike in some countries, women as lecturers and scientists and engineers or doctors, command the same pay as men, without discrimination, and that more and more rural women too are taking the cue and spreading their wings in a manner that was not possible a few decades ago. We not need to address the problems that still remain, towards a better tomorrow.

Without optimism, there can be no planning, no projections for policy making, no targets to strive for. In that sense, the Sudha Patels and Fatima Bis and Bina Chakmas of our times, are harbingers of hope and enthusiasm for other women.

Empower them with hope and enthusiasm in the inner layers of their psyche, and thousands of our women, irrespective of their educational achievements or economic status, can show their mettle, as useful and productive citizens eager to contribute their mite to the national effort. □

# Giving the Reforms a Human Face

**ECONOMIC REFORMS FOR THE POOR** : Ed. Subhashis Gangopadhyay and Wiliam Wadhwa; Rajiv Gandhi Institute for Contemporary Studies, RGF, New Delhi; Pp.514, Rs. 650.

Economic Reforms for the poor is a collection of essays, in fact papers, presented at a conference jointly organised by Rajiv Gandhi Institute for Contemporary Studies, Rajiv Gandhi Foundation and Society for Economic Research and Financial Analysis. The conference was organised with a view to exchanging ideas and share experiences of specialists and experts in various fields related to uplift of the poor and economic well-being of the country as a whole. The sessions were on poverty, education, labour, law, agriculture and economy. The papers which appear in this volume are also divided into six parts under similar heads. There are fifteen chapters dealing with various aspects of broadly categorised themes.

This conference was held in the context of the growing concern and debate regarding the good that has come out of the economic reforms especially for the poor. Though it was always held that these reforms ought to have a human face many failed to recognise the face. Even the World Bank indicated that the poverty in India has gone up during the nineties.

Irrespective of the fact whether the reforms were slow or fast one major problem that confronts the country is the poverty which is intimidating. In Indian context it is also necessary to have strategies to alleviate poverty besides economic reforms which promise high growth rate.

Experts while discussing varied themes from poverty alleviation to financial markets take a fresh look at liberalisation and globalisation process

in India and highlight some major problems which need to be addressed without further delay. The points raised here are to be taken as indicative and not directorial.

The first chapter highlights the nature of poverty in India with the help of National Sample Survey data. Regional divergence, regions near growth centres and geographical contiguity are some of the patterns that emerge in the study.

Chapter 2 talks of convergence of reforms and takes a rigorous look at state level disparities and advocate policies directly targeting agricultural sector to reduce poverty. Chapter 3 analyses the existing poverty alleviation programmes and argues that reduction in poverty does not commensurate with the expenditure on the programmes.

Chapter 4 is on information technology and decentralisation in the fight against poverty. There is lack of transparency at the implementation level combined with the paucity of information. Chapter 5 analyses urban poverty and primary schooling. With the help of field studies the link between poverty and low attendance is demystified. It is, infact, schools and teachers who are ill-equipped to cope with the first generation school goers.

Chapter 6 calls for a structural change in the provision of education involving private entities. Chapter 7 deals with human capital, employment and worker and stresses the need for productive job opportunities. Chapter 8 recommends reformation in labour

market which includes the abolition of protectionist policies and improve competition.

Chapter 9 which deals with law points out the cumbersome and lengthy legal procedure which works against the intended beneficiary and recommends an integrated approach to law making. Chapter 10 talks of judicial delays, costs and uncertainty.

Chapter 11 highlights how agriculture is neglected in the reform process. Chapter 12 unearths new linkages in economic reforms and the poor Indian policy gives preference to the industrial sector, is protectionist towards the small scale sector and neglects agricultural sector which results in retarded growth. To that extent poverty reduction has slowed down.

Chapter 13 deals with inflation and its direct effect on the cost of living. The income growth among the poor has to out perform the inflation if the economic reforms are to be successful. Chapter 14 is on developing the small scale industry in India. Among the suggestions given are entrepreneur-friendly taxation and regulatory framework. Environment-friendly alternatives need to be developed.

Chapter 15, the last one in the volume, discusses reforms and the corporate sector. Reforms in financial market are also crucial for efficient allocation of investible resources and for generating the same.

Economic Reforms for the Poor, in a nutshell, discusses the various aspects of reforms and strongly recommends not to lose sight of human face especially that of the poor. As is stated, this is not the last word. More debate and more research are needed to evolve implementable policies that help India to emerge as one of the frontline states free from poverty, squalor and want.

*Dr. J. Bhagyalakshmi*

*Information is power. Be informed*

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