

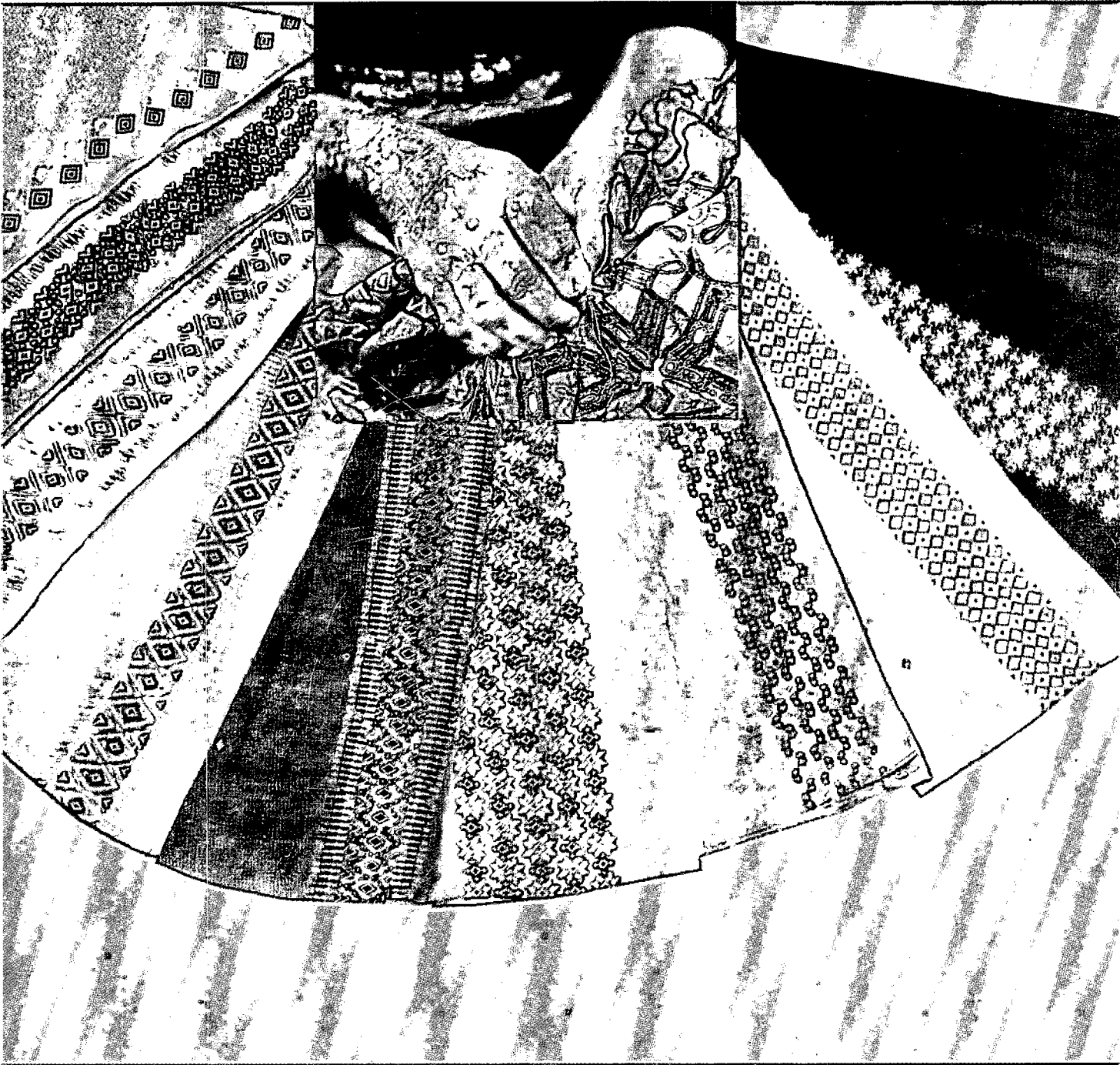


**A
DEVELOPMENT
MONTHLY**

yojana

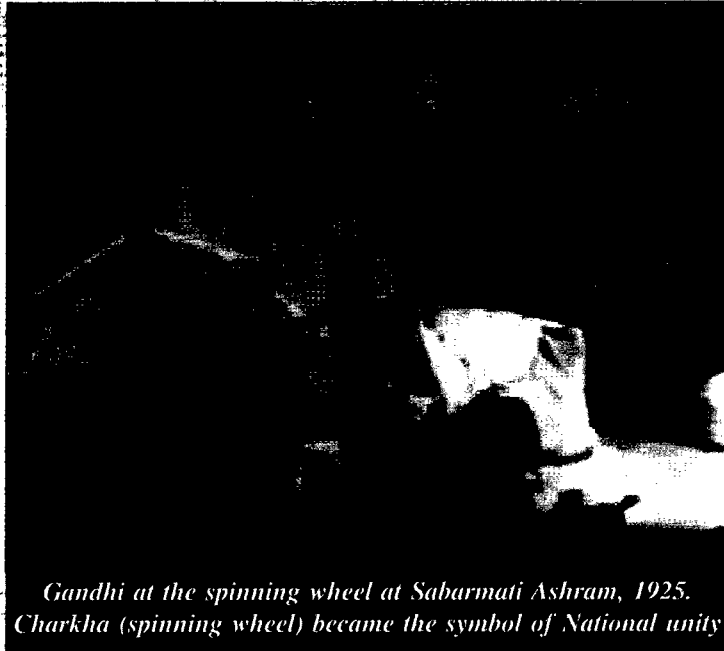
June 2007

Rs 10



HANDLOOMS

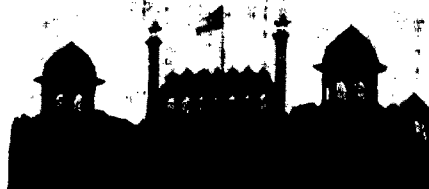
Khadi aur Azaadi



Gandhi at the spinning wheel at Sabarmati Ashram, 1925.
Charkha (spinning wheel) became the symbol of National unity

British colonial policy towards traditional crafts eroded the base of handicrafts including handlooms. This was the sector worst affected. In the later stage of freedom struggle Mahatma Gandhi recognized the value and contribution of handlooms. Khadi and weaving of Khadi through *Charkha* acquired a special place.

To acknowledge the contribution of handlooms in India's struggle for Independence, Yojana brings out two issues on this sector. In June, we take a look at the 'Handlooms Industry' and the July Issue will focus on 'Marketing Handlooms'.



June 2007

Vol 51

yojana

Chief Editor : Anurag Misra

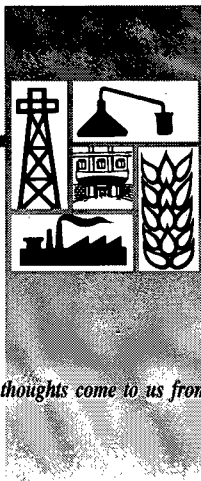
Editor : Dr Sapna N. Singh

Joint Director (Prod) : N.C. Mazumder

Cover Design : Manjula Patel

e-mail : editor@yojana@hotmail.com
ce.yojana48@yahoo.co.in

Website : www.publicationsdivision.nic.in



Let noble thoughts come to us from every side
Rig Veda

CONTENTS

ECONOMIC INDICATORS	4	FIRST WAR OF INDEPENDENCE	33
1857 : A MALEGAON STORY	5	Madhu R. Sekhar	
Mateen Hafeez		J&K WINDOW	36
THE ISSUE IS EMPLOYMENT	7	ALTERNATIVE MODELS	48
L. C. Jain		Avijit Pathak	
A TRADITION OF SKILLS	12	SEZs : TO BE OR NOT TO BE	50
B. K. Sinha		Abhishikta Acharyya Roychowdhury	
NEEDS AND CHALLENGES	17	AN ENABLING STEP	55
Seemanthini Niranjana		Lizzy Neiger	
THE CONTINUING CRISIS : ANDHRA	22	YOJANA ARCHIVES	57
Dharma Raju Palli		STEM CELLS	58
SECURING THEIR FUTURE	27	Aurnab Ghose and Palash Bhattacharya	
L. C. Jain		COAL RESERVES	61
RURAL TOURISM AND HANDICRAFTS	29	M. Satyamurty	
P. Siva Sankara Reddy		IN THE NEWS	64
DO YOU KNOW ?	32	BOOK REVIEW	67

Our Representatives : Ahmedabad: Dhiraj Kakadia, Bangalore: B.K. Kiranmai, Chennai: I. Vijayan, Guwahati: P. Chakravorty, Hyderabad: V. Balakrishna, Kolkata: Anindya Sen Gupta, Mumbai: D.L. Narayana Rao, Thiruvananthapuram: Madhusudan Verma.

YOJANA seeks to carry the message of the Plan to all sections of the people and promote a more earnest discussion on problems of social and economic development. Although published by the Ministry of Information and Broadcasting, Yojana is not restricted to expressing the official point of view. Yojana is published in Assamese, Bengali, English, Gujarati, Hindi, Kannada, Malayalam, Marathi, Oriya, Punjabi, Tamil, Telugu and Urdu.

EDITORIAL OFFICE : Yojana Bhavan, Sansad Marg, New Delhi Tel.: 23096738, 23717910, (23096666, 23096690, 23096696- Extn. 2509, 2510, 2565, 2566, 2511). Tlgm.: Yojana. **Business Manager (Hqs.) :** Ph : 24367260, 24365609, 24365610

For new subscriptions, renewals, enquiries please contact : Business Manager (Circulation & Advt.), Publications Division, Min. of I&B, East Block-IV, Level-VII, R.K. Puram, New Delhi-110066, Tel.: 26105590, Telegram : Soochprakashan and Sales Emporia : Publications Division : *Soochna Bhavan, CGO Complex, Lodhi Road, New Delhi-110003 (Ph. 24365610) *Hall No. 196, Old Secretariat, Delhi-110054 (Ph. 23890205) *Commerce House, Currimbhoy Road, Ballard Pier, Mumbai-400038 (Ph. 22610081) *8, Esplanade East, Kolkata-700069 (Ph. 22488030) *'A' Wing, Rajaji Bhawan, Basant Nagar, Chennai-600090 (Ph. 24917673) *Press Road, Near Govt. Press, Thiruvananthapuram-695001 (Ph. 2330650) *Block No. 4, 1st Floor, Gruhakalpa Complex, M.J. Road, Nampally, Hyderabad-500001 (Ph. 24605383) *1st Floor, 'F' Wing, Kendriya Sadan, Koramangala, Bangalore-560034 (Ph. 25537244) *Bihar State Co-operative Bank Building, Ashoka Rajpath, Patna-800004 (Ph. 2301823) *Hall No.1, 2nd Floor, Kendriya Bhawan, Sector 8, Aliganj, Lucknow-226024 (Ph. 2325455) *Ambica Complex, 1st Floor, Paldi, Ahmedabad-380007 (Ph. 26588669) *Naujan Road, Ujan Bazar, Guwahati-781001 (Ph. 2516792) *C/o PIB, C.G.O. Complex, 'A' Wing, A.B. Road, Indore (M.P.) (Ph. 2494193) *C/o PIB, 80, Malviya Nagar, Bhopal-462003 (M.P.) (Ph. 2556350) *C/o PIB, B-7/B, Bhawani Singh Road, Jaipur-302001 (Rajasthan) (Ph. 2384483)

SUBSCRIPTION : 1 year Rs. 100, 2-Rs. 180, 3-Rs. 250. For neighbouring countries by Air Mail Rs. 530 yearly; for European and other countries Rs. 730 yearly.

No. of Pages : 72

Disclaimer :

- The views expressed in various articles are those of the authors' and not necessarily of the government.
- The readers are requested to verify the claims made in the advertisements regarding career guidance books/institutions. Yojana does not own responsibility regarding the contents of the advertisements.



IMPORTANT ANNOUNCEMENT

Dear Readers,

We thank you for making Yojana a success.

The new initiatives launched in the last 2-3 years have received an overwhelming response. While expanding our reach, we have added new sections and additional pages including colour pages to increase coverage. To provide you the best on socio-economic issues and other topics, and meet the additional costs, it has been decided to increase the price of Yojana. The following is the new sale price structure with effect from 1st April, 2007.

Yojana (English/Hindi/Urdu/Punjabi/Oriya/Assamese/Bengali/Gujarati/
Kannada/Malayalam/Marathi/Tamil/Telugu)

Rate per copy

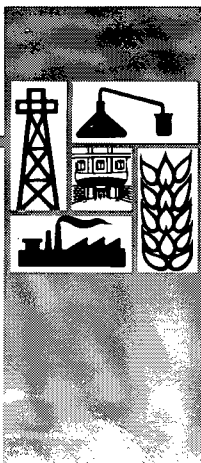
Subscription

Rs 10/- for	1 year	2 years	3 years
Regular issue	Rs 100/-	Rs 180/-	Rs 250/-
Rs 20/- for any special issue			

We assure you of giving an enriched content and look forward for your support in future.

Happy Reading !

– Chief Editor



About the Issue

IN TODAY'S world, few traditional craft producers survive. In India, however, millions of people with traditional skills still make a living by producing handicraft goods including handlooms.

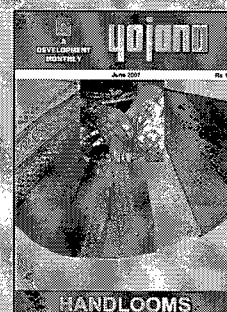
The critics of British colonial rule in India argue that the 19th century globalization and industrialization had destroyed the traditional industry including handlooms in India. The phenomenon is known as "De-Industrialisation. A large number of jobs were lost in handicraft textiles. Mahatma Gandhi during freedom struggle emphasized that Indian villages needed to be strong and self sufficient, and called for revival of rural handicrafts and textiles. In the post-Independence period, handicrafts and handlooms, weaving industry, occupied an important place in economic development.

Handlooms play a very important role in the country's economy and provides direct or indirect employment roughly to about 6.5 million people. It contributes about 13% of the total cloth production (2004-05) and in 2002-03 contributed \$544 million to India's export earnings. It is the largest handlooms industry in the world and is largely concentrated in the decentralized sector.

The sector has manifold problems such as obsolete technologies, unorganized production system, low productivity, inadequate working capital, conventional product range, weak marketing link, overall stagnation of production and sales and, above all, competition from powerlooms and mill sectors. The problem gets further aggravated as socio-economic indicators like health, income, clean environment etc are very poor for those engaged in the handlooms activity. The women and children among handlooms households are worst sufferers.

The last handlooms Census was done in 1995. It is evident from the handloom Census that this sector occupies a significant place in the national economy in terms of its potential to provide employment in the rural areas, next only to agriculture. The data also suggests that the sector employs the most vulnerable segment of the Indian population from rural areas namely SCs, STs and other backward class communities. The data shows that the handloom sector is central to those engaged in it as they drive close to half of their annual income from their weaving activity. It is therefore important that progressive and appropriate pro-poor policies are designed and implemented for this sector. It should be noted that the data of handloom Census is from 1995 and it is very likely that the liberalization of Indian economy during this time period has brought significant changes in the handloom sector since then.

The contributors to this issue are those who have active experience of working with the craft persons and know the weave of the handloom industry.



ECONOMIC INDICATORS

INDICATORS: ANNUAL				Units		2004-05		2005-06		2006-07 (estimates)		2007-08 (projections)		
Population (as on 1 Oct)				mln. nos.		1090		1107						
GNP at current market prices				Rs. crore		3104221		3542208						
GDP at current market prices				Rs. crore		3126596		3567177						
GNP:Per Capita (current prices)				Rupees		28479		31998						
GDP:Per Capita (current prices)				Rupees		28684		32224						
Gross Fiscal Deficit				Rs. Bln.		1258		1464		1523		1509		
				(% of GDP)		4.0		4.1		3.7		3.3		
Prices (Annual Average)														
Wholesale price index (All Commodities)				% change		6.4		4.4		5.4				
Consumer price index (IW-General index)				% change		3.8		4.4						
Agriculture: Production														
Foodgrains				mln. tns.		198.4		208.6		211.8				
Cereals				mln. tns.		185.2		195.2		197.7				
Rice				mln. tns.		83.1		91.8		91.1				
Wheat				mln. tns.		68.6		69.4		73.7				
Pulses				mln. tns.		13.1		13.4		14.1				
Oilseeds				mln. tns.		24.4		28.0		23.3				
Index of Industrial production				% change		8.4		8.2		10.4				
External Transactions														
										(Apr-Feb)				
Exports				US \$ mln.		83501.6		102710		109107.33				
				% change		30.7		23		19.2				
Imports				\$ mln.		111471.5		142395.4		164854.8				
				% change		42.54		27.74		27.7				
Forex Reserves (excl. gold & SDRs) March-end				US \$ bln.		135.6		145.1		191.9				
										(Apr-Jan)				
Foreign direct investments (including acquisition of share)				US \$ mln		6051		7722		14284				
				% change		40.0		27.6		242.3				
INDICATORS: MONTHLY		Units	Apr 2006	May 2006	Jun 2006	Jul 2006	Aug 2006	Sept 2006	Oct 2006	Nov 2006	Dec 2006	Jan 2007	Feb 2007	Mar 2007
Prices														
Wholesale price index (All Commodities)		1993-94= 100	199	201.3	203.1	204	205.3	207.8	208.7	209.1	208.4	208.8	208.8	209.5
		% change (yoy)	3.85	4.76	5.12	4.82	5.13	5.38	5.47	5.49	5.68	6.38	6.31	6.5
Consumer price index (IW-General index)		Base 2001=100	120	121	123	124	124	125	127	127	127	127	128	
		% change (yoy)	5.03	6.31	7.66	6.71	6.32	6.78	7.3	6.33	6.91	6.72	7.56	
Agriculture														
Stock of Rice (Central pool)		mln. tns.	12.8	12.0	11.1	9.5	7.8	6.0	12.5	12.1	12.0	12.6		
Stock of Wheat (-do-)		mln. tns.	9.0	9.3	8.2	7.3	6.7	6.4	6.0	5.6	5.4	5.4		
Industry														
Industrial Production Index		1993-94= 100	225.2	237.9	234.4	235.5	234.8	243.5	234	247.8	261.6	263.9		
		% change (yoy)	9.9	11.7	9.7	13.2	10.3	12	4.5	15.4	12.5	10.9		
Energy/Infrastructure														
Coal production		mln. tns.	31.5	33.1	32	31.1	29.1	29.2	33.6	36.4	39.5	42.2	39.3	
		% change (yoy)	3.4	8	11.9	10.9	0.6	0.8	2.3	4.6	3	10	6.6	
Crude oil production		mln. tns.	2.75	2.86	2.81	2.86	2.7	2.81	2.93	2.82	2.92	2.9	2.67	
		% change (yoy)	1.8	1	0.8	4.1	12.1	9.3	9.4	9.8	10.7	4.7	4.9	
Power generation		bln. KWH	53.4	55.6	53.5	53.8	54.3	54.4	57.5	52	59	58.4	51.9	58.9
		% change (yoy)	5.9	5.1	4.9	8.2	4.3	11.7	10	5.2	12.9	8.5	3.4	7.6
Railways: freight traffic		mln. tns.	58.1	59.5	58.2	57.4	55.3	55.8	58.8	61.1	63.6	65.7	61.7	
		% change (yoy)	11	7.6	11	11.7	7.3	10.8	10	11	7.5	6.5	6.8	

Source: Icube at Planning Commission, Centre for Monitoring Indian Economy (CMIE)

Yojana is launching a new column 'Economic Indicators', from this issue onwards. The column will provide data on the Monthly Review of the Indian Economy.

1857 1857 1857 1857 1857 1857

A Malegaon Story

Mateen Hafeez

WITH ITS Muslim profile and powerloom economy, Malegaon in Maharashtra is a child of 1857. Community elders who have been handed down tales of the slaughter that engulfed Meerut, Awadh and Lucknow, have not forgotten their Gadr origins, and with the 150th anniversary commemoration, memories are stirring once again.

Ninety-one-year-old Basheer Adeeb's grandfather, Kallu Haji and his two sons Mohammed Usman and Mohammed Sultan, joined the river of migrants that flowed out of the United Provinces. Ironically, it was transportation technology introduced by the British, the railways, that helped the weavers and peasants in their flight. "My grandfather told me they used bullock carts and trains to leave Uttar Pradesh," said Adeeb, who has written a book on Malegaon's history. "The trains came up to Burhanpur (in Madhya Pradesh) and after that they had to walk. Burhanpur was the weavers' first shelter town. Some stayed on, others kept on towards Jabalpur, Nagpur, Kampti, Shahda, Dhule, Malegaon, Yeola, Bhiwandi, and their last stop, Mominpura and Madanpura in Bombay."

Apart from the advancing bayonets of the East India Company it was also exploitation by the zamindars that the peasants wanted to escape. "The weavers did not even have the right to



WEAVER'S NEST: Mohammed Toufique, whose grandfather migrated from Barabanki, still runs a handloom outfit in his memory

name their own children," said Adeeb. When their wives gave birth a a child, the zamindar had to be consulted. He would typically brand the children with degrading names like Buddhu, Chhedan, Kallu, Kallan, or Khaddu. When the zamindar found out my grandfather had named his sons Usman and Sultan, he was furious. My grandfather was tied to a tree and lashed for having the audacity to name his

who flock to big cities for jobs.

It was not as if Malegaon had not existed before 1857. The local fort built in 1765 by the Marathas indicates it was already an important centre. However, its powerloom economy is a result of the migrant weaver population. Since the first census was conducted only in 1881 (Malegaon then had 10,622 people) there are no pre-1857 figures to compare the expansion in population or

children on his own. This was the reason my grandfather decided to leave."

The migration did not take place in one single burst but was spread over years. Once a family reached Malegaon, word was sent back to those still in Awadh or Lucknow, telling them to join—a family pattern that is still followed by migrants



Adeeb Basheer's grandfather left UP not so much to flee the British as the local zamindar, who lashed him for having the audacity to name his own children instead of allowing the zamindar to give them the usual degrading names like Buddhu and Kallu

to record the influx of refugees. Adeb says about 75 families settled in Malegaon after the gadar, in the Sangmeshwar, Islampur, Rasoolpura and Belbaug areas.

Until 1857, there were only six mosques in Malegaon—today the town boasts 250, as well as the biggest Islamic education institution for girls and the biggest Muslim cemetery in the country, where the September 8, 2006 bomb blasts took place killing 25.

The most dramatic event in the modern history of Malegaon was the

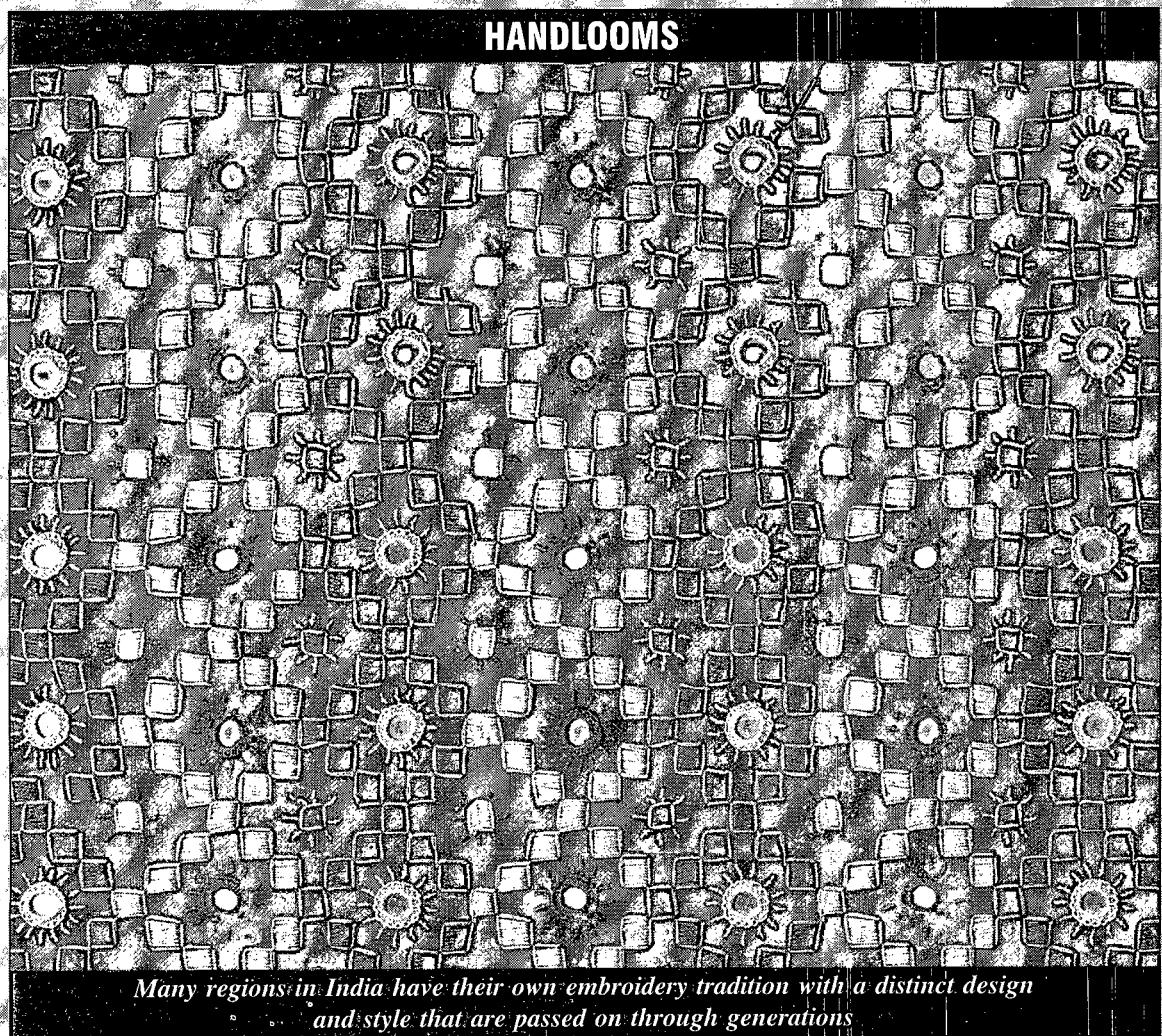
arrival of electricity in 1936. Today Malegaon has around one lakh powerloom machines and 80 per cent of the city's four lakh population is dependent on this industry. But there are those who have turned their back on electricity and stuck to the old craft of handlooms.

Mohammed Toufique, whose grandfather migrated from Bara Banki in UP after the mutiny, still runs a handloom outfit in Ramzanpura on the outskirts of Malegaon. "My father used to say handlooms should not be replaced by powerlooms. This is the reason I still operate a handloom at this

age," said the 77-year-old weaver, who supplies cotton to the town's doctors for dressing wounds.

The arrival of electricity-turned Malegaon's weavers into merchants and businessmen and ushered in a prosperity that they have never dreamed of. Adeb's grandfather had arrived from Allahabad in his kurta-pyjama with two children. Today, Adeb's family has 110 members, they own several powerloom units and shops and one of his sons is an American citizen with a clinic in Texas. It's been a long journey. □

(Courtesy: "The Times of India")



The Issue is Employment

L C Jain

THE ISSUE is not handlooms – but employment. We can weave cloth in a hundred ways, handlooms is just one of them. But how do we weave employment. That has been our quest from day one.

“In what period would it be possible to deal with the unemployment problem?” asked Prime Minister Nehru, presiding over the second meeting of the National Development Council (NDC) in May 1955. Prof. P.C. Mahalanobis said: ‘if hand industries could be activated the fear of unemployment could disappear during a period of five years’. He added that the number of jobs which could be created were dependent also upon the pattern of investment. The employment component of heavy industries was low while it was high in the case of small scale and cottage industries”. (Handloom is the largest single item in cottage or village industry category)

In the same NDC meeting, Dr C.D. Deshmukh, then Finance Minister also underscored that from the employment point of view, it was necessary to examine the pattern of investment. Prof.

D.R. Gadgil stressed that there should be greater emphasis on employment and from this point of view the increase in consumer goods should, as far as possible, be through the small scale and cottage industries. The term “common production programme” was, he said, intended to cover both the machine and the hand sector. Led by Nehru, all at NDC were agreed that given their employment potential village industries had to be encouraged.

Reviewing the progress in combating unemployment in the first two decades (50's and 60's) Prof. Raj Krishna former Member Planning Commission, found that ‘the grave national problem of unemployment had defied solution in spite of two decades of planned development ... reason is the tragic phenomenon of positive unemployment growth associated with a positive output growth. This revealed that in effect no check had been exercised on the pattern of investment despite the directions of the NDC’.

Dr. Manmohan Singh, Finance Minister in Narasimha Rao Government, attributed these distortions

Though the handlooms sector employs a massive number of rural people, it is still considered a sunset industry

The author is a noted Economist and has had extensive experience of working with the weavers and crafts people at the grassroots level.

to excessive State control over the economy which were proposed to be dismantled through the reforms introduced in 1991 and declared 'Our longer term objective is to evolve a pattern of production which is labour-intensive and generates larger employment opportunities'.

On looking back after a decade, in 1999 former Prime Minister, Narasimha Rao, observed:

It appears to me that instead of solid infrastructure, phenomenal multiplication has occurred in the manufacture of passenger cars, TVs and many other such consumer items. This may no doubt be good, but I should point out that this was not basically what was intended when the liberalisation scheme was conceptualised... This is why I am making an emphatic suggestion that now at the first decade point of the liberalisation programme, time has come to have an intensive look back on the overall results and the benefits that accrued to the people, class-wise and section-wise.

When (liberalisation was conceived), it was meant as a means to transform society – purely as a socio-economic process than as a Business policy or ploy. (2nd JRD Tata Memorial Lecture)

The Planning Commission did undertake such an intensive look back, after ten years of implementation of reforms. It reported in 2002 that "the employment and generating capacity of the economy - and especially the organised sector vis-a-vis the GDP growth was 'declining fast over time (1983 to 2000)', in spite of the fact that during the same period GDP growth accelerated from 5.2 to 6.7 percent per annum'. The explanation offered was rather shocking: 'there has been an even more significant decline in the labour intensity'. This was the very opposite of what economic reforms had hoped to

promote. Further that in the late nineties the organised sector had in fact reached 'almost a near jobless growth' while in agriculture, employment growth touched near zero.

The Economic Survey has remained rather silent on resultant employment from labour-intensive pattern of production aimed by the 1991-92 economic reforms. However, the Alternative Economic Survey – has spoken about the employment situation:

The employment scenario has deteriorated during the 1990s, and more particularly during 1998-2000 the period of market fundamentalism. Employment Exchange data on the number of applicants on the live registers is available with a time lag of 4 to 5 months. At the end of November 1999, there were more than 4.1 crore registered job-seekers compared to nearly 3.92 crore at the end of 1997-98. Clearly, this does not represent total unemployment; there are both under and over registrations. But this proportion of misrepresentation is unlikely to change over the short period we are considering. It would not indicate the real number of working poor—a number probably approximated by the NSS figures of people below the poverty line estimated (around 360 million) and also those whose usual status over 365 days is that of unemployed. According to this latter set of NSSO data during 1995-96, 1.8 per cent of our rural men, 0.9 per cent rural women, 4 per cent urban men and 3.6 per cent urban women of our labour force returned their status as usually unemployed.

The labour force in 1995-96 (thin sample) is estimated at 194.4 million rural men, 96.9 million rural women, 71.9 million urban men and 15.2 million urban women giving a total labour force of 378.6 million.

According to the latest NSSO data for 1998, the usual status unemployment rate has gone up to 2.49 percent of the labour force, which is the highest ever reported so far except for the year 1987, when it was 2.8 per cent. With nearly 8 million new entrants in the labour force every year, the labour force presently may well be around 400 million.

Even if we add to it the number of registered job-seekers, (not a very logical thing) the number of unemployed at 5 crore plus would be far short of estimated at least 36 crore who are food insecure income-poor. In addition to data-related problems, the concept of wage-employment is not very appropriate. For example, with 90 per cent of farm holdings being small and marginal the poor peasantry cannot be considered employed in the sense of having work and / or assets capable of ensuring livelihood security.

Thus the number of the virtually unemployed working poor is many times larger than that indicated by the unemployment statistics. What emerges from the above is the uniqueness of the Indian situation and the magnitude and complexity of the question. The livelihood security ensuring participation by or economic citizenship of the entire labour force is the number one problem facing India. Without incorporating that no analysis of the Indian economy can make any sense.

The argument of the authors of economic reforms is that their policies are generating employment in the unorganised sector which is absorbing the unemployed and contributing significantly to industrial growth rate. Handlooms largely belong to the unorganised sector – who's state of health was described by the Alternative Economic Survey thus:

As for 'employment' in the unorganised sector, it is mainly own-account, decentralised, rural and small town based and is reflected in the number of enterprises both agricultural and non-agricultural along with the number of workers engaged by them. This year important information – virtually a gold mine – on these aspects was made public by the Central Statistical Organisation (CSO) in the form of the results of the Economic Census, 1998.

We find that the growth rate of enterprises (numbering 237.82 lakh) during 1990-98 declined from 2.264 to 2.23 per cent and growth rate of employment (at 650.45 lakh) in these enterprises during 1990-98 came down from the 1980s rate of 2.68 per cent to a mere 1.30 per cent. (Hindu Business Line, June 3 1999). The contagion of low employment growth in the organised sector has spread to the unorganised sector as well. The supposed liberation of private enterprise may have enthused foreign capital but the small rural and urban enterprises could not be enthused by the drive to liberalise the economy.

The sectoral trends in employment too reflect the slow-down of employment growth, and hence accretion to the backlog of unemployment and the resulting worsening of income distribution. Relatively poor performance of industrial sector employment growth is reflected in reduction in the share of wage in industrial value-added. Compared to nearly 30 per cent share of wages in industrial value added in 1988-89 according to the Annual Survey of Industries data, in the year 1997-98 the share of wages came down to as low as 20.24 per cent. It shows how employment expansion and equity in income distribution go hand in hand. There was also a

decline in the growth rate of non-durable consumer goods from 10.8 per cent and 9.3 per cent in 1995-96 and 1996-97 respectively to as low as 1.87 per cent in 1998-99. It is clear that reduction in the share of wage-goods reflects worsening employment situation.

So far the protagonists of the new economic policies were scolding the handloom weavers that their techniques were outdated, that they should convert to powerlooms instead. That has indeed been the theme song since the Asok Mehta Committee's report in the 60's which favoured replacing handlooms by powerlooms. Under that reasoning only handlooms should be wailing and wilting under the impact of globalisation and the powerlooms should be flourishing. But tragically, the powerlooms, too are neck deep in waters. Here a report on Bhiwandi – the most solid powerloom centre, in Times of India, July 2, 2000:

A tragedy of mammoth proportions is unfolding just 50 kilometers away from Mumbai. During the past year, almost 15 per cent of the powerlooms have been sold as scrap, while about three lakh labourers have been pushed into the abyss of employment.

The last two months have seen the four suicides prompted by the collapse of the powerloom sector. Crime has spiralled and policemen are visible at every street corner. Residents talk in sad whispers about the powerloom owner who was caught stealing wheat from a grocery shop. "On paper, he is worth more than Rs. 15 lakhs. But his family had scarcely eaten for the last week," says Tariq Farooqi, a local politician. "Most people are living on hope alone."

"Four years ago, I was earning Rs. 4,000 a month, but I am lucky to get Rs. 1,500," says the emaciated labourer

who works in Bhiwandi. "Over the last six months, I have barely sent my family in Allahabad a few hundred rupees. Every night, when I shut my eyes, I know that my children are sleeping on empty stomachs."

Reports on recent violence in Malegaon another prominent powerloom centre also brought out the pitiful state of powerlooms and resultant unemployment which added fuel to the terrorist game plan. Now in 2005, we have been invited to pin our hopes on the national rural employment guarantee programme (NREG). But we must not be blind to the fact that NREG is a mere palliative. It is necessary in the face of mounting unemployment but it is not a substitute for self-sustained employment which can be generated from the production system alone. And even as a palliative it is showing signs of sickness as highlighted in series of recent articles by Aruna Roy and Jean Dreze staunch supporters of NREG when it was launched.

The handlooms too are suffering from weaving woes. Though the handloom sector employs a massive number of rural people, in spite of all odds, the handloom sector is still considered a sunset industry. 'While some of the sector's troubles come from the relentless march of mechanisation, modernisation and sophistication, there's more to the troubled weavers' plight', says Prof Narasimha Reddy, of the Centre for Handloom Industry Policy (CHIP) at Chirala.

Raw Material supply: Access to raw material such as yarn, dyes and dye stuffs has become a problem. (Yarn is made out of fibres such as cotton and is used to weave the cloth, horizontally and vertically. It is the primary material to produce the cloth or fabric.) Weaving is a rural and semi-rural production activity and weavers have to go far to

get these raw materials. To top it off, yarn prices are steadily increasing. The availability of hank yarn - the basic material from which weaving is done - is a serious issue because it is controlled by modern spinning mills, who see more profit in large-volume cone yarn. Secondly, since hank yarn is tax-free and has subsidies, enormous amounts are diverted to the powerloom and mill sectors. As a result, there is a perennial shortage of yarn for the weavers. Despite a few schemes, the hank yarn access issue has not been resolved. Colours are expensive, and presently there is no system or mechanism to increase their availability.

Raw material prices: Handloom primarily uses natural fibers such as cotton, silk and jute. Prices of these fibers have been increasing during production and processing. Cotton production in India is expensive because of intensive and high usage of costly agricultural inputs such as pesticides and fertilisers. Secondly, while the fiber production most often happens in the vicinity of the weavers, their processing is done in distant areas, and as such the prices to the weaver are higher. With the central government now encouraging primary fiber and yarn exports, handloom weavers would be on the last priority for yarn suppliers.

The solution lies in establishing relatively low-cost, decentralised spinning units in the villages where handloom and fiber productions co-exist. The units would enable direct linkage between farmers and weavers, which essentially decreases the cost of yarn and thus the cost of handloom products. Still, the cost of setting up the units may be too much for an individual, and hence governmental support will be required.

Infrastructure and Investment: Investment in handloom sector has thus far been limited to input supply costs.

There is no investment on sectoral growth. While there have been some piece-meal projects such as workshop-cum-housing and project package schemes, they merely perpetuate the existing conditions. There has been no thinking on basic requirements of the producer. Facilities such as land, water and electricity need to be provided in many places that are a harbour for handloom manufacturing. On the other hand, powerlooms are getting more usable support from the government in procuring land, water and electricity.

Places like Pochampally (for e.g.) suffer from water pollution, where the Musi river drains the wastewaters of Hyderabad city. In many places across Andhra Pradesh, the only water available is groundwater, which is laden with salts and other contaminants. This affects the quality of production, economics and also the structure of production. Weavers simply have to put in more time to procure water for drinking and other needs, as well as compromise on dyeing quality.

Common facilities have not been developed such as godowns, credit facilities (banks in the vicinity), roads, proper sanitation, etc. have not been provided anywhere.

In recent years, the investment profile in handloom sector has also been changing. Traditional investors — known as master weavers — who had been investing for several decades in handloom production have been moving away, or have become reluctant to invest in new designs. There is a need for new programmes that enable the inflow of fresh investments and emergence of new entrepreneurs into the handloom sector.

Competition and unfair competition from mills and powerlooms:

Competition is now uneven, with mill and powerloom sector getting subsidies in various forms. Secondly, powerlooms have been undermining handloom markets by selling their products as handloom.

Wages, employment and livelihood issues: Wages have not increased in the last 15 years. Some sections of handloom weavers are living in hand-to-mouth conditions, with no house or assets.. These issues need to be addressed by the government; at least effectively implement the Minimum Wages Act. (The Quest Features & Footage, Kochi)

The Textile Ministry (Annual Report 2005-06) itself recognizes that handlooms are beset with manifold problems such as obsolete technologies, unorganized production system, low productivity, inadequate working capital, conventional product range, weak marketing link, overall stagnation of production and sales and, above all, competition from powerloom and mill. Alas, all these adjectives can be detected in the preceding annual reports of the Ministry over the decades as also the peripheral measures or rather schemes which it pursues year after year. It is like taming a tiger with a bamboo stick.

The Textile Ministry adds Handlooms play a very important role in the country's economy, and provides direct or indirect employment to about 6.5 mn people. It contributes about 13% of the total cloth production (2004-05), and in 2002-03 contributed US\$ 544 million to Country's export earnings. It is the largest Handloom industry in the world, and is mainly concentrated in the decentralized sector.

These numbers indeed offer more than cold comfort. In Yojana Bhawan's hands they could still do warm wonders of the kind Mahalanobis and Gadgil envisioned. □

(Email: lcjain@bgl.vsnl.net.in)

Available at your nearest book stalls

*It's reliable
It's authentic
It's up to date*

**PRATIYOGITA
DARPAN**

WHERE EXCELLENCE GUIDES THE SUCCESS

**PANORAMA
YEAR BOOK 2007**

Rs. 130.00

**HINDI
EDITION
IS ALSO
AVAILABLE**

**BOOK YOUR
COPY NOW!**

HIGHLIGHTS

- Chronology of 2006-07
- Persons of 2006-07
- Places of 2006-07
- National & International Events of 2006-07
- Sports Panorama 2006-07
- INDIA : After Independence – At a Glance
- Indian Annual Perspectives
- Science & Technology Scenario
- Current Affairs Compendium
- 2007 Economic Vision
- Current Affairs Question Bank
- CS Mains 2007 Success Strategy

PD PANORAMA YEAR BOOK 2007 ORDER FORM

YES, I wish to buy

**PRATIYOGITA
DARPAN**

Panorama Year Book 2007

Name : Mr./Ms.

Address :

Ph. : E-mail :

PIN

Signature :

Choose one : Enclosed ☐ Cheque ☐ D.D. ☐ M.O. No. Payable at Agra favouring 'M/s Pratiyogita Darpan'.

M/s PRATIYOGITA DARPAN

2/11 A, SWADESHI BIMA NAGAR, AGRA-282 002

Ph. : 2530966, 2531101, 3208693, 3208694; Fax : (0562) 2531940

Branch Office : 4840/24, Govind Lane, Ansari Road, Daryaganj, New Delhi-110 002 Ph. : 23251844, 23251866

E-mail : info@pratiyogitadarpan.org

To purchase/buy online, log on to : www.pratiyogitadarpan.org

YE - 6/7/09

A Tradition of Skills

B K Sinha

THE HANDLOOM Sector occupies a place of eminence in preserving the country's heritage and culture and plays a vital role in the economy. The Sector is next to agriculture in providing employment to about 6.5 million persons and produces about 6200 million sq. mt. cloth, which is about 16 per cent of the total textile production. In terms of exports, the estimated foreign exchange earned during the last year is Rs 4000 crore.

Indian hand-woven fabrics have been known since time immemorial. Poets of the Mughal durbar likened our muslins to baft hawa (woven air), abe rawan (running water) and shabnam (morning dew). A tale runs that Emperor Aurangzeb had a fit of rage when he one day saw his daughter princess Zeb-un-Nissa clad in almost nothing. On being severely rebuked, the princess explained that she had not one but seven jamahs (dresses) on her body. Such was the fineness of the hand woven fabrics.

Handloom, as history goes was invented by a woman of hilly area of Nagaland being inspired by the continuity of the waves of the waterfall flowing in the river. As such, the word

'handloom' refers to a loom, which is operated manually to weave a fabric by interlacement of warp and weft. Indian handloom textiles are classified as those traditional textiles, which are manufactured or woven on handloom without the use of electricity. The mother of all textiles was the primitive loin type of handlooms. In the ancient days, the requirement of all fabrics for different end uses, starting from day to day use to exclusive occasion, festivals etc. were met by the handloom fabric only.

The Handloom Sector has not only survived but also grown over the decades due to the inherent strengths of handlooms. Handloom products are aesthetic. Due to manual operations, several combinations are possible in handlooms with intricate designs. The functional properties like drape, texture, strength, wrinkle resistance, dominant stability etc. can be ingeniously manipulated through appropriate designs, exclusive types of fabrics used, counts and twists of warps and yarns, thick density, type of weave, type of fashion and process employed in printing etc. Handloom products are unique and each piece is different from others. The variations in the fabrics and

***Handlooms
enjoy an
exclusive
position in our
textiles and
clothing exports***

The author is Development Commissioner (Handlooms), Ministry of Textiles, Govt. of India.

more feasible defects due to the mechanical fault can be reduced by the use of improved looms accessories and gadgets. If such defects are eliminated, the variation in the fabrics is expected to be used advantageously in handlooms because of the exclusivity and uniqueness of each piece.

The clothes made from extremely fine material i.e. yarn count with 100s and above which are delicate, can be woven more safely on the handloom owing to comparative lightness of jerks. The polish of the clothes interwoven with gold or silver thread, can be taken out by extremely frictional action of powerlooms. On the contrary, handlooms are ideally suited for such work. Clothes with multi coloured designs in which the weft is to be changed very frequently are most suited to handlooms. Clothes with embellishment in the border and heading and entire body with delicate designs in various colours which calls for individual schemes can be ideally woven on handlooms. Short pieces of clothes having unique designs to meet individual tastes, which may not be economical for being produced on powerlooms/mills can be made by warp of short length with preferential colour on handlooms. Rough clothes of very low counts such as durries, floor coverings, rugs, etc., in which the tensile strength of the yarn is too low for the powerloom, can be done only through handlooms.

Handloom has monopolistic position in the manufacture of checked and striped colour fabrics with numerous design and different weft colour, colour with fanciful yarns, durries, floor coverings, tapestries, etc. The necessity of using multiple box looms for giving more colour in the weft involves heavy cost in powerloom. Also insertion of multicolored weft in different places, at comparatively short regular interval is

difficult in powerlooms and mills, as it interferes in normal speed of loom. Handlooms are capable of producing most fanciful colours and designs in small quantities. Its flexibility of catering to very narrowly segmented market is advantageous to handlooms. Other strengths of handlooms are; openness to innovation, low level of capital investment, eco-friendly activity, provides self-employment opportunities in rural areas, demand little or no energy, adaptability to suppliers' requirements, creation of designs which can not be replicated on powerlooms, no import content in assets/raw materials, potential to arrest migration of population to urban areas, quick switchover to new designs etc.

Constraints

The very nature of the handloom industry imposes inherent constraints on its development, particularly in the sphere of exports. The antiquated and dispersed nature of the industry has placed it on a highly disadvantageous position in the competitive textile market. The unorganized and decentralized nature of the Handloom Sector and the fact that the bulk of the persons who are engaged in production are in the economically weaker category render this sector particularly vulnerable to fluctuations in the prices of raw-materials, thereby reducing the competitiveness of its products and affecting its capacity to meet the demands of the sophisticated markets.

The levels of the technology, productivity and quality vastly vary from one region to other with traditional tribal loom in the north-eastern region to the wider width fly shuttle frame looms in South. The hilly north-eastern region is dominated by the tribal looms, while in plains i.e. West Bengal, Andhra Pradesh, Tamil Nadu, etc. are still dominated by the pit looms and raised

looms. Other constraints are; production rate is low as compared to mechanized sector, cost of handloom products is generally very high, high cost of credit, handloom products are being increasingly replicated on powerloom at much lower cost, handloom products are mostly cotton based, contrary to global pattern where non-cotton dominate, thereby limiting the marketing scope, dependent on the skill of the weavers, with the phase out of quota regime, and opening to domestic market, handloom faces competition from the imported cheap fabrics etc.

Handlooms enjoy an exclusive position in our textiles and clothing exports. Over the years, its importance has been increasing despite large scale mechanization. Indian handloom export constitutes nearly 15 per cent of the fabrics, made-ups and clothing exported from India. Karur in Tamil Nadu, Kannur in Kerala, Panipat in Haryana are the major handloom export production centres. Besides this, other centres like Kekhra, Varanasi, Bhagalpur, Shantipur, Jaipur, Warangal, Chirala, Poochampally, Sambalpur and Madurai also contribute significantly in the handloom exports. Chennai, Delhi, Mumbai and Kolkata are having large number of merchant exporters who source their products from these centres. There are about 2000 handloom exporters in the country.

Total value of exports of cotton handloom products during 2002-03 stood at Rs. 2633.27 crore as against the previous year's performance of Rs. 2064 crore. In dollar terms, exports during 2002-03 was US \$ 544.12 million, registering a growth of 25.67 per cent over the previous year's achievement of US \$ 432.98 million. For the first time, cotton handloom exports of fabrics and made-ups crossed

Export of Handloom Products

Year	Fabric (Rs in cr)	Made-ups (Rs in cr)	Total (Rs in cr)	Total (US \$)
1998-99	223.49	1784.42	2007.91	477
1999-00	206.80	1685.11	1891.91	437
2000-01	489.63	1637.82	2127.45	466
2001-02	496.47	1568.47	2064.94	433
2002-03	842.94	1790.33	2633.27	544

US \$ 500 million and touched the level of US \$ 544 million.

Fabrics

- The value of exports of cotton handloom fabrics during 2002-03 is Rs. 842.94 crore as against the previous years' achievement of Rs 496.47 crore showing an increase of 69.79 per cent.
- The increase in exports is noticeable in dhoties, shirtings, and furnishing fabrics. Exports have registered a growth of 175.45 per cent in value terms for dhoties, shirtings by 75.71 per cent, furnishing fabrics by 33.73 per cent and in the case of other fabrics by 44.44 per cent during 2002-03.
- There is a decline in unit and in exports of lungies by 13.56 per cent in value terms. This is due to severe competition from powerlooms.
- Decline is also significant in the case of RMHK by 31.75 per cent. RMHK has been mainly exported to West African countries such as Nigeria, Ghana, Sierra Leone, Zambia and Liberia from where it finds its way to surrounding countries such as Southern and Northern Cameroon, Dahomey, Ivory Coast, Guinea, Senegal and to many other places in Central Africa.
- The overall annual export of RMHK is estimated at Rs 100 crore, as claimed by the Real Madras Handkerchiefs Exporters Association,

the only Association for this product. Even though there has been an abnormal increase in the exports of RMHK during the year 2000-01, considerable decrease has been witnessed from the year 2001-02 onwards. This is mainly due to the ban imposed by the Nigerian Government on import of textile items into Nigeria. As per the ban, all textile items falling under Chapter 50 to 63 are not permitted to import into Nigeria. Further, we would like to inform that the Republic of Benin is allowing RMHK by imposing import duty @ 40 per cent which has resulted in the export of RMHK unviable due to the erosion of profit margin.

- In almost all fabric items, unit value realization has declined during 2002-03 compared to previous year indicating stiff competition in the market.

Made-ups

- The value of exports of cotton handloom made ups, including carpets and durries during 2002-03 was Rs. 1790.33 crore. As against the achievement of Rs. 1568.47 crore.
- In the previous year, registering an increase of 14.14 per cent in terms of value. Among the made-ups, export of Toilet and Kitchen Linen posted a negative growth of 19.76 per cent in terms of value and positive growth of 6.29 per cent in physical term.

- In this item, under handloom products like dish towel, tea towel, kitchen napkins etc. are exported. These items are facing very severe competition among the exporters as well as from mill sector.

- Export of Bed Linen has increased by 96.16 per cent in value terms and 93.79 per cent in physical terms.

- In the case of table linen in which India is dominating the world market, the value of export had grown by 29.31 per cent during 2002-03 and in physical terms, the export value increased by 15.61 per cent.

- In the case of curtains, exports in physical quantities increased by 5.91 per cent and the export value increased by 9.37 per cent.

- In other furnishing articles, there is an increase by 23.58 per cent in export value and the quantity exported increased by 23.04 per cent.

- Carpets and floor coverings have shown a marginal increase of 7.49 per cent during the year 2002-03.

- In terms of value and in physical terms increase was by 1.72 per cent. Increasingly the exporters explore the possibility of using handlooms in bed linen, curtains, cushions, furnishing articles.

The global changes are throwing further challenges on the Handloom Sector. Tariff reduction, free market

access, complete elimination of quota restrictions etc. have thrown open both the domestic and international markets to machine made products which will flood the market. Handloom sector has to necessarily match their core competency in productivity, price, quality and delivery time, with the big players apart from the competition with our own powerlooms/mills. Therefore, the only option to help the handloom industry survive this competition is by making the Handloom Sector competitive in terms of its productivity through improvement in technology and the skill level of weavers and make the price competitive. Besides this, networking of clusters and development of infrastructure will enable handloom sector to effectively produce large volumes in shorter delivery time. Fortunately, handlooms have very little competition from other countries. In the global market where India enjoys its inherent advantage with its versatility of designs and weaves can certainly score over other countries if it concentrates on the development of exclusive handloom products which are either unique to handloom or the production of such materials is uneconomical in the powerloom and mills.

Government Policy

In view of the high employment and cost disadvantage faced by handlooms compared to mill sector due to the manual nature of production, the Government of India has been following a policy of protection of the Handloom Sector since long. This policy consists of subsidy for production and yarn supply, marketing etc. The Handloom (Reservation of Articles for Production) Act, 1985 also extends statutory protection to the Sector, by reserving 11 textile articles for exclusive production by handlooms. Besides this, emphasis is given on encouraging and assisting excellence in craftsmanship in order to enable it to

carve out a niche for itself based on exclusivity of design & products and for this purpose, the Govt. extend assistance for skill up-gradation, technological improvement, marketing, integrated development of handloom cluster, welfare of measures etc.

New Initiatives

The Govt. of India has been implementing a number of developmental & welfare schemes in Handloom Sector. Some of the schemes being implemented by Govt. of India are as follows:

- Integrated Handloom Cluster Development Scheme – the scheme is for development of handloom clusters in an inclusive and holistic manner to build up their capacity to meet the challenges of the market and global competition in a sustainable and self reliant manner. 20 clusters have been taken up for development at the total cost of Rs. 40.00 crore.
- Health Insurance Scheme – this scheme has been launched in Nov. 2005 in collaboration with ICICI Lombard. The unique feature of the scheme is that it covers the weaver, his wife and two children. Also, pre-existing diseases are covered upto Rs. 15,000/- per annum. The annual premium is Rs. 1000/-, out of Rs. 800/- is contributed by GOI and Rs. 200/- by weaver. Under the Scheme, 2.97 lakh weavers have been covered from Oct. 2005-2006.
- Mahatma Gandhi Bunkar Bima Yojana – this scheme has been launched in Oct. 2005 in collaboration with LIC of India. Under the scheme, an insurance coverage of Rs. 50,000/- is provided in case of natural death and Rs. 80,000/- in case of accidental death besides other benefits. Weaver contribution is Rs. 80/- per annum. Under the Scheme, 2.77 lakh weavers have been covered from Nov. 2005 to July 2006.
- Re-structuring of Handloom Apex Societies/Corporations – four Handloom Organizations – Co-optex, Andhra Pradesh handloom weavers' Cooperative Society (APCO), Karnataka Handloom Development Corporation & UP Handloom Corporation have been assisted in last 2 years.
- Handloom Mark – this has been introduced in June 2006 by the Govt. to give distinct identity to the handloom products for boosting their sales in domestic and foreign markets. Under the Scheme, 287 units have been registered and 4.23 lakh labels have been distributed.
- Technology Up-gradation Scheme – the scheme has been introduced with an objective to improve the productivity and quality of the handloom products by up-grading the technology at various stages of production. Under the Scheme, 25 per cent capital subsidy or Rs. 20.00 lakh, whichever is less is provided for purchase of new machines & equipments.
- Setting up of Yarn Depots – the Govt. has opened 273 more yarn depots in August 2006, in addition to existing 110 depots mostly in the handloom clusters having atleast 1000 handlooms to ensure adequate availability of yarn at reasonable prices.
- Development of additional 100 Clusters – Govt. has taken up additional 100 handloom clusters having less than 5000 handlooms for their integrated and holistic development at a total cost of Rs. 50.00 crore and their diagnostic studies are being carried out.
- Integrated Handloom Training Project – this scheme aims to upgrade the technical and managerial skills of handloom weavers/ workers.

Under the Scheme, 18,700 weavers/workers have been trained in 2005-06 as against 8,020 weavers in 2004-05.

- Handloom Export Scheme – this aims to provide financial assistance for boosting the export of handlooms.

With these interventions, the Handloom Sector has witnessed a significant diversification in terms of new designs, new products and new markets. Also, the production of handloom fabric, which declined in 2002-03 & 2003-04 has now recovered and shown a rise of 4.16 per cent and 8.14 per cent in 2004-05 & 2005-06 respectively.

Government's commitment

The Govt. of India is committed for the development of the Handloom Sector and proposes to take several measures for holistic and integrated development of handlooms by following a cluster approach in a phased manner, dissemination of handloom mark and its adoption, technological up-gradation of machinery and equipment at various stages of production like pre-loom, post loom, on-loom and quality control of the fabric, setting up of more yarn depots to ensure availability of yarn and also, to stabilize the market prices, accreditation of Primary Handloom Weavers Cooperative Society, Restructuring of Handloom Organizations, availability of the credit at lower rate of interest etc.

Today, Indian Handloom products whether in silk or cotton, retains their pride of place as unique and exquisite creations appropriate for every occasion demanded by the customer. Progress of this sector is an important plank of the development strategy of the Govt. of India. □

(Email: dchl@nic.in)

Year	Handloom Cloth Production (million sq. mtrs.)
2001-02	7585
2002-03	6980 (-7.98%)
2003-04	5493 (-21.30%)
2004-05	5722 (+4.17%)
2005-06	6188 (+8.14%)



Needs and Challenges

Seemanthini Niranjana

THE SWEEPING discourse of modernization has demarcated certain areas/industries as traditional, and hence in need of modernization or improvement in techniques of production, or put more simply, in terms of technological upgradation. In this perception, all that is urban-based or western is technologically advanced, whereas all that is rural is backward or traditional, and hence seen as in need of development. Rather than accept this viewpoint, we could well turn to rural areas as offering models for learning.

Historically, it is clear that there were several kinds of industries flourishing in India, such as iron and steel making, paper, sugar, textiles of silk and cotton, leather, wood, metal, bamboo, glass, ceramics, ship building, musical instruments, tools, etc., to mention a few. There was a continuous process of technology transfer upgradation and exchange of skills within the producing and trading communities.

The significant aspects of traditional technologies are that they are not very

capital intensive, suited to the environment (soil, water, and seasons), use local raw materials and renewable energies, and produce large quantities of output from large numbers of small dispersed units. The technological skills involve large numbers of people and are easily propagated. These technologies are embedded in their societal context, with in-built systems for skill dissemination. Taken together, these characteristics ensure that traditional industries can be sustained over millennia, without creating social upheavals or environmental degradation.

The handloom industry is largely rural-based, and is an important provider of rural non-farm employment. In fact, handlooms is the largest employment provider after agriculture. It employs 120 lakh weaving families, and handloom production now constitutes about 13% of the country's total textile production (Annual Report, 2005-06, Ministry of Textiles, GOI).

The industry is large in aggregate, and is made up of small-dispersed units that are independent of generated

It is clear that right kind of investment in the industry can turn it into a gainful occupation and a thriving industry

The author is Coordinator Policy Research and Advocacy Programme, Dastkar, Andhra, Secunderabad. Dastkar is a Society for crafts and crafts people.

power, thereby avoiding environmental degradation. Handloom weaving is largely done in the weaving families' own homes, on looms owned by them. Being household based, *the production process is inclusive* involving the people otherwise characterized as economically dependant, viz., the elderly and women.

The requisite skills are widely distributed on a large scale, with the method of skill-diffusion embedded in the production process. While skills pass from parents to children, there are also ongoing traditions of apprenticing newcomers, when the industry is going through a period of prosperity. It is low capital intensive, and hence accessible to large number of people. On both these counts, *entry barriers are low*.

The fact that it is a household activity does not mean that weavers are independent producers. They work in co-operative societies where they are shareholders. When societies fail to provide work, weavers are dependent on master weavers who are present locally and are engaged in trading of handlooms. The co-operative society or the master weaver generally supplies yarn and dyes to the weaver. The access to market is in the hands of the society or the master weaver. In many places there are weavers who do not own a loom and weave in sheds owned by the master weaver. Mostly these are migrant weavers who leave their village due to scarcity of work or low wages and settle in places where there is a demand for their work. For the past three decades there are also considerable numbers moving out of weaving altogether.

The strengths of the industry are:

Diversity: It is extremely diversified in terms of product ranging from coarse cloth for local needs to a range of medium and fine fabrics for a larger (usually urban) market. Each region is known for a specific product that is unique in design and style. The modes

and relations of production are also very diverse. There are independent weavers, weavers organized into co-operatives and those working under master weavers.

Flexibility: It is capable of great flexibility in processes and products. Alterations in the production process and innovations in product are fairly easily achieved.

Dispersed production: It is *decentralized*, located both in rural and urban centres. Handloom weaving as an economic activity predates modern industrialization. Within the village economy that obtained in the past, weavers catered primarily to local needs and were one of the service castes. Running parallel to this was also market-oriented production, located largely in weaving centres near port towns, where master traders organized weaving for export. Sometimes, these were organized as karkhanas, or weaving 'factories', but by and large, unlike the highly centralized mill sector, handloom weaving today continues to be dispersed and decentralized in nature.

Home-based production: It is *largely home-based*, with labour inputs form the entire family. While weaving sheds do exist occasionally, more widespread is the weaver weaving at home, drawing on the labour of all the family members. In each stage of the production process, whether it is pre-loom processing, weaving or finishing – every member of the household has a clear role to play.

This household-based industry has great economic potential, given its low capital and energy requirements and its ability to provide livelihoods to a large number of people. A proper understanding of these fundamental characteristics of the handloom industry is indispensable for policy formulations and creation of supportive institutional

infrastructures. What is required is a systematic identification of the heterogeneous nature of its needs and problems and the designing of suitably flexible inputs that would tackle these issues.

Needs of the industry

The most urgent task today is one of creating appropriate institutional and structural supports that will help the industry realize its potential. For this, a major shift in the existing perspectives on the industry will be necessary. Far from being a traditional activity that is on the verge of decline, handlooms must be approached as a productive industry and as a major generator of employment, especially in the rural, non-farm sectors. Having defined it as a productive industry, the various entitlements of the industry and its practitioners have to be emphasized and attended to. In other words, the handloom sector is entitled to support vis-à-vis its needs as a productive industry (for example, in areas of raw material access, credit and marketing), rather than receive support that is extended merely through welfarist schemes. The general thrust of a government policy on handlooms has to be based on a clear recognition of such needs.

Raw materials: Today, a major difficulty of handloom weavers across the country is the non-availability of adequate quantities of good quality yarn at reasonable prices. The government took certain measures to deal with this problem: (a) the setting up of co-operative spinning mills to ensure supplies to the handloom sector (but the experience in Andhra Pradesh shows that several of these have closed down over the past 3 to 4 years, a trend that is probably true of other states as well). (b) the obligation on mills to pack 40% of their total marketable yarn as hank yarn (but this is rarely adhered

to). Since the production and supply of yarn vests with the mill sector, the fortunes of the handloom sector get tied to this. The supply of yarn contracts or its price goes up whenever mills require it, forcing handloom weavers in the decentralized sector to turn to private traders for yarn.

Yarn shortages and steep prices are continuing problems in the handloom sector. The yarn availability scenario is also affected by the proliferation of the powerloom sector. Though powerlooms use cone yarn, they seek to avoid high yarn duty imposed on it by buying up hank yarn and converting it to cones (the cost of re-reeling being minimal). There is thus a considerable diversion of hank yarn meant for the handloom sector to other players, creating conditions of shortage, high rates, etc.

There are other problems as well. One, governmental intervention regarding yarn supply is confined to the co-operative sector. For the rest working outside the co-operative fold, yarn access remains difficult, and puts them squarely under master weavers. Since it passes through various hands, and dealers at each level add their own commissions, the price is considerably higher than mill rates. Most of this cost burden is transferred onto the weaver, especially since weavers are unable to bargain with yarn merchants or master weavers. Second, weavers in different regions require different counts of yarn. This is not always available, leading to a mismatch in demand and supply. Third, the supply and process of yarn have fluctuated with the fortunes of the cotton crop as well as with policies pertaining to the export of yarn.

In addition, continued attention needs to be paid to the right kind of yarn availability (for example, the counts woven and required in a particular region), price regulation and

policies regarding the export of yarn, since all of these directly affect the viability of handloom weaving as an industry. While setting up of smaller retail yarn outlets would be beneficial, linkages between credit provision and yarn availability also need to be worked out.

Credit needs: The lack of credit is the single largest block in the growth of the handloom industry. Despite all the claims of subsidies to the handloom sector, the amount of institutional credit that is made available to weavers is very low. While banks have an inbuilt bias against small producers, the credit facilities available to cooperatives are far from adequate. Often, master weaver owned cooperatives siphon off a large chunk of credit that's available.

Also neglected are the different kinds of credit needs of weavers. While adequate and timely credit for input procurement is the main need, at times, capital may also be required for repairs or for domestic and social expenses. There is just no agency that can meet this wide spectrum of credit needs, and invariably weavers end up indebted to the local moneylender or master weaver.

Special Credit institutions need to be designed which will provide credit in the way that is needed, (perhaps larger number of smaller loans), to suit the dispersed nature of the industry and to suit market seasonality. Currently, credit to the co-operatives is routed through the co-operative banks in the districts, and it is well known that these banks themselves are ailing, largely due to the agrarian crisis in the rural countryside. This puts additional pressure on credit access by handloom co-operatives.

Marketing Needs: There is a significant mismatch between cloth production and marketing which has yet to be seriously tackled. The decline of local markets for handlooms is a reality

today, which has to be addressed both in terms of cost factor as well as other strategies. The separation of producers from the market has given rise to middlemen. Trader entrepreneurs who may know the market well, and thus be able to meet new demands often dominate existing marketing channels. But as traders, they also block the trickledown of benefits even though the profit margin is quite high. The centralized marketing bodies of weaver co-operatives too have been malfunctioning. Not receiving payments in time for the products supplied by the apex marketing agency, has led to the collapse of a number of co-operatives, since they are unable to generate/rotate capital for subsequent rounds of production.

The reliance on an export market alone is fraught with difficulties such as – a) the highly differentiated nature of the export market, since each country will have its own requirements; b) the infrastructure supporting and regulations governing export trade necessitate that it is in the hands of large business houses, c) it creates instabilities in demand and livelihoods that impact negatively on weavers, unless the right kind of checks and balances are introduced from the beginning in servicing export markets. In this context, there are several different aspects that merit attention: It is necessary to expand and develop the market beyond the upper reaches. The view that a domestic demand for handlooms has no prospects of growth and that there should be more of export-oriented production is something that should be opened up for scrutiny.

A large part of the problem in domestic marketing lies in faulty institutional mechanisms of marketing, rather than in the lack of a demand for handloom cloth. The view that a domestic demand for handlooms has no prospects of growth and that there

should be more of export-oriented production is far from the truth. Our organization's experience has shown convincingly that there is a large and growing domestic demand for handlooms. Handloom production is well integrated into local demand and this sector cannot be ignored. The potential for growth of this sector in fact lies in the medium and heavier plainer fabrics which is woven by a large number of weavers, rather than the complex patterned or high-count 'fine' fabrics, which are more suited to a small niche market. This is because such production draws on simple and affordable technology and does not require expensive loom attachments. Also, there is a large-scale demand in the burgeoning middle-class markets in cities and towns that can easily be tapped.

Market development and market exploration is what is urgently needed today. Though the export segment does need some attention, what is required today is the expansion, or development of the regional and national markets. The demand for handlooms at the middle and lower levels of the market too has to be addressed, and appropriate marketing mechanisms devised. A prerequisite for all this will be the generation of suitable information about the handloom market and about the production base making handlooms.

Challenges

Marketing and credit and raw material access are widely perceived to be the key bottlenecks affecting the growth of the handloom industry. In addition to these efforts, certain key investments are needed for the growth of the sector.

These are not just financial investments in building appropriate infrastructure, but also investment in designing technology (and other systems) suitable to the mode of

production, in building capacities across the production-marketing value chain; and in strengthening institutions that can ensure producer equity in a market context.

We see three areas for intensive work in the 11th Plan period: Firstly, growth in the industry requires substantial investments in infrastructure, which will create a solid foundation for growth. The government and other agencies have to address this aspect of promoting the handloom industry and product through technology and market creation. Secondly, along with this, institutional strengthening in the industry is required, in institutions such as rural handloom co-operatives and design training institute for weavers. Thirdly, capacity building of weavers and other key stakeholders in the sector has to be seriously addressed.

For all this, a supportive policy framework will have to be created, since the needs of the industry are addressed within the framework of the government's textile policy. Textile policy, from the 1950s onwards, has sought to balance demands from different sectors, i.e., mill, powerloom and handloom. There have been a series of early legislations pertaining to the handloom sector, several of which recognized the employment potential of the industry and sought to protect the sector with legislations – for eg., certain items reserved only for production by handloom industry. All this began changing by mid 1980s and definitely by 1990s.

Shifts in policy approach

The 1985 New Textile Policy proposed new ways of looking and dealing with the textile industry as a whole, not in terms of sectors (mill, powerloom, handloom), but in terms of stages of the manufacturing process, like spinning, weaving, etc. This obscured many of the specific problems

of the handloom sector. Further, handloom weavers have been categorized in policy documents on the basis of how production is carried out. That is, weavers are categorized either as independent (one who works on his own, buying yarn, weaving and selling the final product), or as working under the master weaver, or as coming under the co-operative fold. Departing from this convention, the new textile policy recommended that they be categorized on the basis of the quality of weaving (into producers of higher value, medium value and lower-value cloth). The assumption here was that producers of high value cloth will also receive high remunerations, unlike producers of lower-value cloth. Based on this assumption, policy recommendations suggested either a shift in the direction of producing finer cloth, or a shift away from handloom weaving altogether. The rationale for such an assumption is questionable, since field visits reveal that producers of 'luxury' fabrics are not necessarily well-paid, that is, the 'high value' of the cloth is rarely translated into wage terms.

There is also a shift in terminology and framework- from employment, equality, social justice - to modernization, efficiency, market, productivity and competition. The implications of this shift become apparent only when the actual policy recommendations are looked at. For instance, there is a much clearer recognition of market forces than before. Several of the controls placed – for instance on mills and powerlooms expansion – is withdrawn, while improving efficiency and competition become important. Deregulation of textile industry (i.e., no barriers to expansion and restructuring of mills and powerlooms) and de-control of yarn trade are the two main steps taken here. The Government passed a bill regularizing the power looms, which

were until then operating illegally in the same year. As a result, over 5 lakh unauthorized powerlooms were regularized in 1985, this figure was said to have gone up to 8 lakhs by 1990. In 2001, authorized powerlooms were 16.55 lakhs (Ministry of Textiles, 2001), with the total being 34 lakhs inclusive of unregistered powerlooms. These policy measures heightened the tensions between the handloom and powerloom sectors.

The Abid Hussain Committee (1990) was set up to review progress of 1985 policy. It categorized weavers into high, medium and low based on their earnings. It also advocated appropriate institutional supports in input and marketing.

In view of the unprecedented crisis in handlooms following the suicide of handloom weavers in different parts of the country, Mira Seth Committee on Handlooms was set up. The focus of the committee was on increased earnings to weavers. It recommended the strengthening of existing provisions for timely and adequate credit, technological upgradation and so on. It also

emphasized modernized design training of weavers to meet the challenges of globalization. In short, the Mira Seth Committee Report recommended an export-oriented strategy for the survival of handlooms. The committee recommended the reduction of items reserved for handlooms from 22 to 11, which was implemented by 2000.

The Textile Policy of 2000, based on the Satyam Committee report had the objective of making India a global player in textile production and exports. It set the target of increasing textile exports in value terms by around five times in the next decade. To achieve this, it de-reserved garment-making from the small-scale sector and threw it open to private investment. Its 'facilitative' policies included allowing 100% foreign direct investment in the textile sector, encouraging the private sector to set up integrated textile complexes, further liberalizing cotton yarn export, earmarking funds for technology upgradation [over Rs. 200 crore], mainly for setting up automatic looms, etc. None of these actually address the main problems of traditional

handloom and increasingly even small, powerloom weavers. The emphasis on productivity has ignored the employment and sustainability potential of the industry.

A suitable policy framework for the handloom sector has to be one that understands the strengths and needs of the industry and is willing to make the necessary investments in infrastructure, institutions and capacities. There have been a number of state support structures for input supply as well as for technical, design and marketing assistance. In terms of institutional design, most of them are centralized, and do not address the specific needs of the dispersed handloom production base. It is ironic that while these institutions were designed to meet specific needs in the handloom sector, in terms of design, they have replicated the centralized models of other industries. Given the vast skill base of weavers and the market demand, it is clear that right kind of investment in the industry can turn it into a gainful occupation and a thriving industry. □

(E-mail: dastkar1@satyam.net.in)

75 Handicrafts to get Geographical Indicator Status

In a bid to put an end to cheap imitations and increase the brand equity of Indian handicrafts, the government plans to bestow geographical indicator (GI) status to over 75 special products that are unique to a region, apart from an overall brand identity for handmade products from the country.

Under this initiative, three crafts from each state will be identified for GI status and these will be registered with the Geographical Indications Registry, Chennai. Twenty one handicraft items from around the country have already been identified by the Ahmedabad-based National Institute of Design (NID) from seven states-Karnataka,



Three crafts from each state will be identified for GI status

Gujarat, Tamil Nadu, Rajasthan, Bihar, Kerala and Madhya Pradesh.

GI identifies a product as originating in a territory where its given quality, reputation or other characteristic are

essentially attributable to its geographical origin. This is the first time GI status is being given to handicrafts though handloom products such as Pochampalli sarees and Chanderi silk already have intellectual property rights protection under the Geographical Indications of Goods (Registration and Protection) Act, 1999.

Among the crafts that have been shortlisted by NID for GI status are sandalwood carvings, Navalgund durries, Kutch embroidery, Agate stonework, Thanjavur art plates, Jaipur blue pottery, Udaipur clay work, Sikkigrass products, Sujuni embroidery, zari work from Bhopal and blockprinting from Bagh. ■

The Continuing Crisis: Andhra

Dharma Raju Palli

CONTINUING CRISIS in the handloom sector is dwindling the hopes of the stakeholders on the resilience of the sector. The entry of composite textile mills and powerlooms has transformed the demand driven market for handlooms into a supply driven market. This transition phase marks the start of crisis in the handloom sector.

The problems faced by the handloom sector in the last few decades, more or less remained the same. The industry players, NGOs and the government through its policies of protectionism, made a plethora of efforts to fight the problems. The problems that existed in 1930s continue to exist even today. This is high time for the stakeholders to rethink, revise and remodel their strategies. 'Productivity' rather than 'employment potential' has become the core of the Indian textile policy making in the post 1985 Textile Policy. This is more dangerous atleast in the Indian context.

Against this background, the present

article is an attempt to expose the different dimensions of the crisis in the handloom sector, while laying emphasis on the handloom sector in Andhra Pradesh.

The co-operatives, master weavers and the independent weavers are the three institutional setups operating as parallels in the handloom sector. The weaver co-operatives had emerged in different regions of A.P. in 1930s. Initially, providing yarn at subsidised rates was the primary concern and only later started the trade in dyes, production and marketing of handloom fabrics. In A.P. there were 1024 registered societies in 1975-76. These had increased to 1690 by 1977-78, to 1932 by 1980-81 and to 2115 by 1982-83. Since this has happened with no reference to viability and sustainability, a corrective policy was introduced in 1983, after which, 668 cooperatives were liquidated on the ground of being unviable and 662 societies considered potentially unviable, were merged with existing societies. After reorganization, the number of cooperatives stood at 795 in 1985-86. The Table 1 gives a vivid

Creation of sustainable markets can cause ripples of economic rejuvenation

TABLE 1**Societies and Co-operative Trends in Andhra Pradesh**

	1980-81	1985-86	1990-91	1995-96	2000-01	2004-05
No. of Co-op Societies	1933	795	765	805	756	783
No. of Members	375678	356008	334525	267621	132912	92351

Source: Directorate of Handlooms and Textiles, Govt. of Andhra Pradesh.

picture of cooperative trends over the years.

The point to be noted here is that, though there is a drastic decrease in the number of cooperatives, the number of members remained more or less the same after reorganization. In the post reform era (i.e., after 1990-91), the number of co-operatives remained almost the same but the number of members has gradually decreased. This could be because the number of working cooperatives came down to 540 as on 31st March 2005. The remaining 243 societies out of total 783 societies became dormant. Mukund and Syamasundari (2001) have examined the working of a few co-operative societies in Andhra Pradesh as well as the reasons for their failure. The arbitrary merger of co-operatives, control exerted by master weavers and local power groups, the politicization of the co-operatives, misappropriation of funds and the overall mismanagement are some of the factors mentioned by them. Adding to this, field experiences revealed that, those cooperatives, which were able to closely monitor the changing market patterns and replicate them in their production and those,

which are in proximity to urban markets were able to steer through the crisis. Co-operatives which are linked to the markets through institutional interventions and which are continuing to be innovative are running successfully. The co-operatives, which are unable to fit into this equation, turned out to be dormant, rendering the weavers jobless. Field experiences also revealed that even those societies, which are working, are having greater degrees of idle capacity. This again means weavers remain jobless. Does this mean that the weavers have shifted their occupation? The statistics on the number of weavers does not authenticate this. Empirical evidences show that there is an institutional shift among the handloom weavers- from co-operative mode to the non-cooperative mode.

In the non-cooperative fold, the dominant players are the master weavers and there are an insignificant number of independent weavers. The table juxtaposes the handlooms in co-operative and non-cooperative folds.

Since there is no secondary database for non-cooperative fold, the number of looms over and above the cooperative

looms is taken to be working under master weaver. In reality, many weavers who have registered their looms under cooperative actually work under master weavers for various reasons and hence the percentage of looms actually working under cooperative will be much less. A close observation of the above data acknowledges the fact that the existence and role of master weavers increased and while that of cooperatives decreased.

The master weaver institutions have experimented changes in the product mix while fine-tuning their designs in response to the market requirements. Unlike cooperatives, the managerial cost of these institutions is found to be very low. This is also one of the main reasons for the success of these institutions. The master weavers are able to maintain their overall profitability despite decreasing profit margins, by optimum use of fixed capital even in the prevalence of unfavourable input and output market conditions and stiff competition from powerlooms-manifestations of policy environment. Unlike the cooperatives, the master weavers provided regular

TABLE 2**Co-operative Sector in Andhra Pradesh**

	As on 31-03-87	As on 30-06-90	As of 1995	As of 2004-05
Number of looms	528670	202730	212471	174921
Looms in Co-ops	323722	109420	109997	92351
Percentage	61.23	53.97	51.77	52.80

Source: Directorate of Handlooms and Textiles, Govt. of Andhra Pradesh.

work and paid prompt wages. Empirical studies (S. Galab et al: 2005) revealed that the wages paid by the master weavers are approximately 15% higher than the wages paid by cooperatives. The reasons for this could be attributed to the fact that master weavers were able to economise on the raw material component in the total cost of production and were able to pass on the resulting benefit to the weavers in the form of higher wages. They also give consumption credit and maintain interpersonal relationships with the weavers. All these factors have jointly and severally contributed to the massive shift of the weavers from co-operative to master weaver institutions.

The Intra-sectoral Conflict

The successive downfall of co-operative societies was compensated by the rise of master weavers in a significant way. Now, the master weavers have shouldered the responsibility of running the industry and the co-operatives continue to play a significant role.

In the early stages of this transition period, the weavers' movements have opposed the rise of master weavers branding them to be exploitative. In connection with this, the major weaving centers like Mangalagiri, Chirala and Madanapalle have witnessed 'Majuri Porataalu' (fight for wages) organised by weaver unions in early 1990s. As an answer to this, the master weavers collectively denied work to the weavers and consequently there were a number of weavers' suicides in the region around this period.

In another instance, the weavers' unions have agitated against master weavers, when the later organised themselves into Mutually Aided Co-operative Societies (MACS). This arrangement was made by the master weavers to enable them to have accesses to the subsidised raw material

that is being supplied by NHDC. The weaver unions' allegation is that the resulting benefit is not being passed on to the weavers. If the master weavers are denied the access to subsidised raw material, then who should take the responsibility of running the industry? Are there no other alternative mechanisms to check the disorders?

The 'Majuri Porataalu' are justified in those days when the master weavers enjoyed higher margins. Then, it was the question of distribution of surplus. Now that the profit margins have come down and the master weavers are paying comparatively higher wages, any friction between the weavers and master weavers would result in self-dismantling. The weavers have realized this. Did the weaver unions realise? Or do they want to perpetuate their hegemony by instigating the turmoil?

The prolonged discord between the weavers' groups and master weavers has diverted the attention of industry players to peripheral issues concerning the industry. The problems that have long-run implications have taken back seat. The weaver groups have failed to communicate and convince the policymakers. And the crisis continues.

Inter-sectoral Competition

The handloom sector is facing competition from powerlooms and mill sector, both in input markets and output markets. About the input market, yarn is the primary raw material for mills, powerlooms and handlooms. Mills and powerlooms use cone form of yarn and handlooms use hank yarn. To ensure adequate supply of cotton yarn to the handloom sector, the Govt. of India issued the Cotton Textile Control Order 1986, which says that the spinning mills should pack 50% of their production in hank form (Hank Yarn Obligation). As compensation to the imposition of the Hank Yarn Obligation, the spinning mills received some concession such as

interest free sales tax, ModVAT credit from excise duty, power subsidies and so on. After all this, why is it not attractive for the spinning mills to produce hank yarn? Why are they pleading to reduce HYO from 50% to 30%? If there is effective demand for hank yarn from handloom sector, are they not interested in making money? What is the rationality behind HYO being fixed at 50 percent? These questions remain unanswered.

The hank yarn produced for handlooms was exempted from excise duty. This has resulted in diversion of hank yarn to powerlooms. The powerloom segment found it very economical to buy hank yarn and rewind it into cones to use it on powerlooms. This diversion is estimated by the textile commissioner's office to be around 40% of total hank yarn production. To check this diversion, the GoI has made an arrangement to supply duty-free hank yarn under the Mill Gate Price Scheme to the handloom weaver co-operatives and MACS through National Handloom Development Corporation (NHDC). This is the sole purpose of setting up of NHDC. The GoI w.e.f 2002, imposed a uniform excise duty of 9.25% both on cone yarn and hank yarn so that, the powerloom segment which is involved in diversion will not have any incentive to do so. The mechanisms to reimburse the 9.25% excise duty paid by the handloom weavers were put in place. Is it not lucrative for weavers unions? Why did they oppose the supply of duty-free hank yarn to the MACS? Are they not a part of the industry? What are the better ways of dealing with such a complex and unorganised industry? Still there is no answer.

As pointed out by Abid Hussain committee, the high price of yarn has driven many handloom producers out of the market. The rise in prices of yarn of 40s and 60s count, used by majority of

weavers by 86.95% and 128.57% in 1985-90 has been attributed by the Abid Hussain committee to the 'non-fulfillment' of HYO by mills and the resulting artificial scarcity. If this is true, there should be vast difference between the market price and mill gate price or atleast between market prices and cost of production. Is it there? If this increase in price is specific to hank yarn then, how to understand the general increase in the prices of other essential commodities?

The competition in the output market is more intensive. Handloom sector is facing competition not only from powerlooms and mills but also from imports. In 1950s, the textile mills produced lion's share of the total production followed by handlooms and powerlooms. Over the decades, the share of mills has decreased drastically and their place is occupied by powerlooms. This is a deliberate shift because recent studies show that the synthetic mills encouraged the setting up of powerlooms and sub-contracted their weaving provided, they procure yarn from the mills. The handloom production remained modest at 14.5%

in 1950s and increased nominally through the decades and again decreased to the original level by 2004-05. The Table 3 gives a clear picture about the trends in production of cloth in different sectors.

The total cloth production and handloom sector production increased in absolute numbers. But handloom production as a percentage of total production remained more or less the same over the decades. Starting with 1950s, the continuous increasing size of the market was predominantly occupied by the powerlooms. This is evident from the fact that their share in total production increased from 12.5% in 1950-51 to 63% in 2005-06. On the contrary, the percentage of handloom sector production was 14.5% in 1950-51, increased upto 25.7% in 1960s and settled down at 13% in 2004-05. Empirical evidences say that, the present level of handloom production i.e., 13% includes the cloth produced on powerlooms marketed as that of handlooms. The point to be noted is that the powerloom production and its share in the market experienced continuous and consistent growth rates. The overall

conclusion is that the powerlooms substituted the mill production and limited the growth of handloom sector production.

Looms in Trap

The constraints imposed by the powerloom sector on the handloom sector restricted it to a niche market. To protect the handlooms from unequal competition, the GoI has introduced reservation of products for handlooms. Under this, 8 items were reserved and 5 out of these 8 items were reserved both for handlooms and powerloom units. And studies pointed out that by 1974 almost 90% of the powerlooms fell under the category of 'small units' with less than 5 looms and the reservation actually benefited the powerlooms (Chandrasekhar: 2001). In this context it should be noted that 93 million meter weaving unit of Reliance (Srinivasulu, 1998:97) come under the category of 'powerloom' by definition. As a corrective measure, the GoI introduced the Handloom Reservation Act 1985, under which 22 items were reserved for handlooms. This could not be implemented till 1993 due to litigation over this in Supreme Court.

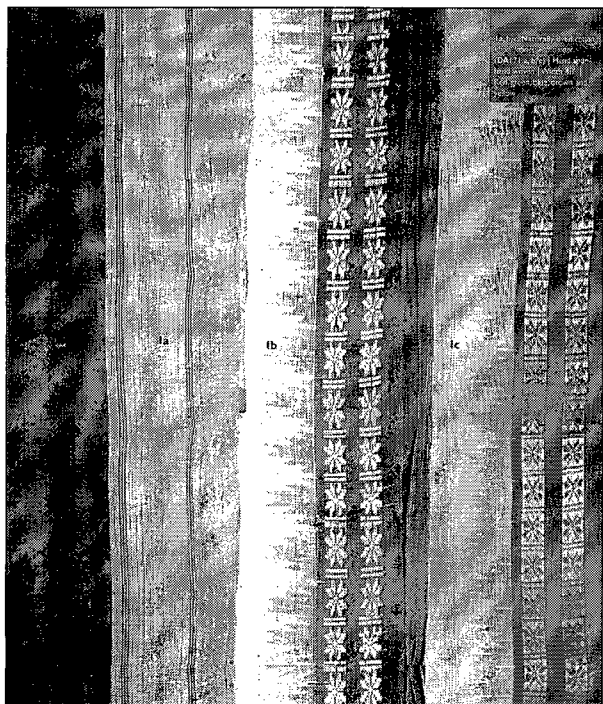
TABLE 3

Sector-wise Production of Cloth (million sq meters)

Year	Mills	Handlooms	Powerlooms	Hosiery	Total
1950-51	3727 (73.0)	742 (14.5)	636 (12.5)	—	5105 (100)
1960-61	5127 (69.3)	1900 (25.7)	375 (3.0)	—	7402 (100)
1968-69	4699 (55.0)	2201 (25.7)	1646 (19.3)	—	8546 (100)
1980-81	4533 (36.4)	3109 (25.0)	4802 (38.6)	—	12449 (100)
1990-91	2589 (11.0)	4295 (18.4)	13348 (57.2)	2696 (11.6)	23330 (100)
2000-01	1670 (4.0)	7472 (19.0)	24503 (61.0)	6688 (17.0)	40333 (100)
2001-02	1546 (4.0)	7585 (18.0)	25192 (61.0)	7068 (17.0)	41390 (100)
2002-03	1496 (4.0)	5989 (14.0)	26109 (63.0)	7868 (19.0)	41462 (100)
2003-04	1433 (3.0)	5581 (13.0)	27258 (65.0)	7837 (19.0)	42109 (100)
2004-05	1493 (3.0)	5705 (13.0)	28704 (64.0)	9089 (20.0)	44991 (100)
2005-06	1259 (3.0)	5202 (13.0)	25359 (63.0)	8504 (21.0)	40324 (100)
(Apr - Jan)					

Source: Ministry of Textiles, Government of India.

Mira Seth committee recommended the reduction of items from 22 to 11 items and this has been implemented



(Ministry of Textiles: 2001). Even this is violated by powerlooms (Ministry of Textiles: 2001). The aggregate effect is that the range of products that only handlooms can produce and supply to the market has shrunk but there is no proportionate decrease in the production base. Now the situation is that a large production base catering to a niche market. What would this lead to?

Experiences of Andhra Pradesh Weavers Co-operatives Societies (APCO), the apex marketing body acknowledge the fact that the demand driven market for handlooms is now transformed into supply driven market. This fact is evident from the huge pile-up of stocks with APCO and its refusal to lift up fresh stocks from the primary weaver cooperatives. The procurement of stocks from cooperatives by APCO reduced from Rs 12.45 crore in 1992-93 to Rs 6.36 crore in 2000-01. There were no fresh work orders and regular payments were not made by APCO to cooperatives. This led to the working

capital blockage in cooperatives. The sale proceeds were not flowing back as fresh investments. There is a breakage in funds flow chain. The capacity of the societies to market their produce and reinvest the sale proceeds is suppressed. Looms are caught up in trap- the vicious circle that reduced the purchasing power of the sector. Perhaps, this could be the major reason as to why the handloom sector is finding it difficult to access the raw materials. The inability of an industry to access the raw material will raise

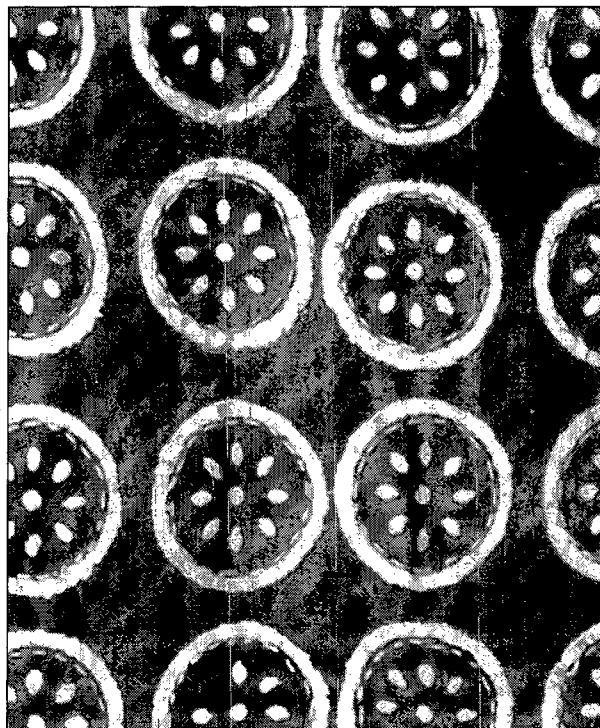
doubts about the viability of the industry. This will only contribute to the crisis making it an indefinite one.

Conclusion

Since the revitalization of the handloom sector is the major concern of the policy makers and the industry players, the solutions that are being put forward should be pragmatic. More than ideology and sympathetic attitude, understanding the ground realities with an open mind would be the first step towards finding the way out of crisis. Problem identification on realistic grounds, prioritising based on the degrees of intensity and suitable corrective measures are the need of the

hour. Access to raw materials is not the only serious problem. Stimulating the factors effecting demand for handloom products so as to ensure that there is no vacuum in the circular flow of money will keep the industry going. Perhaps 'markets', in the era of market economy would be the engine that can pull the industry out of the crisis. Creation of sustainable markets can cause ripples of economic rejuvenation.

Handloom weaving provides source of livelihood for millions of people. But over the last two decades, the emphasis has changed with the winds of economic liberalization. Rather than livelihoods, productivity and ability to compete in the markets have become expressed considerations. If this is inevitable and anything that is detrimental to the handloom industry is to be done under compelling circumstances, then it should be a gradual process with provisions for



protecting the livelihoods. Above all, it is a question of livelihoods of millions. □

(Email: dharmapraju@hotmail.com)

Securing their Future

L C. Jain

GLOBALISATION is today being hawked as a new idea. But in fact, over 70 years ago, the idea was advanced by Mahatma Gandhi as the 'Economic Constitution of the World':

'According to me the economic constitution of India, and for that matter of the world, should be such that no one under it should suffer from want of food and clothing. In other words, everybody should be able to get sufficient work to enable him to make two ends meet. And this ideal can be universally realized only if the means of production of the elementary necessities of life remain in the control of the masses.

'These should be freely available to all as God's air and water are or ought to be; they should not be made a vehicle for the exploitation of others. Their monopolization by any country, nation or group of persons would be unjust. The neglect of this simple principle is the cause of the destitution that we witness today not only in this unhappy land but elsewhere as well.'

For Gandhi, handicrafts was neither a 'category' nor a curiosity. They were an integral part of his economic thinking. His economic constitution of the world rested on food being produced locally by the bulk of the population dependent on land and agriculture. By its nature, agriculture is

a seasonal activity. What does this vast humanity do locally for gainful employment during the slack season without having to give up means of local food production? It is here that the critical place of crafts enters the life of the rural population. Gandhi recognized why rural communities gave primacy to local production of cloth – khadi or handloom – the first based on hand spun yarn, the other on mill yarn. In his thinking, khadi based on local spinning received higher preference for it also yielded greater local employment and purchasing power. In his scheme of things, after the weaving of cloth, crafts followed, meeting other essential local needs – be it making of mats, baskets, earthenware, footwear or utensils. And all these were integral to freedom itself.

Khadi is a controversial subject. Many people think that in advocating khadi, I am sailing against a headwind and am sure to sink the ship of swaraj and that I am taking the country to the dark ages. I do not propose to argue the case for khadi... it connotes the beginning of economic freedom and equality of all in the country. It means a wholesale swadeshi mentality, a determination to find all the necessities of life in India and that too through the labour and intellect of the villagers. That means a reversal of the existing processes. This is to say that, instead of half a dozen cities of India and Great

*Crafts to
Gandhiji were
not a decorative
add on, they
were a daily
necessity*

The author is a noted Economist.

Britain living on the exploitation and the ruin of the 7,00,000 villages of India, the latter will be largely self-contained, and will voluntarily serve the cities of India and even the outside world in so far as it benefits both the parties. This needs a revolutionary change in the mentality and tastes of many.

Khadi to me is the symbol of unity of Indian humanity, of its economic freedom and equality and, therefore, ultimately, in the poetic expression of Jawaharlal Nehru, "the livery of India's freedom".

Moreover, khadi mentality means decentralization of the production and distribution of the necessities of life. Therefore, the formula so far evolved is, every village to produce all its necessities and a certain percentage in addition for the requirements of the cities.

Heavy industries needs will be centralized and nationalised. But they will occupy the least part of the vast national activity which will mainly be in the villages.

Crafts to Gandhiji were not a decorative add on, they were a daily necessity. They arose and rested on fulfilling basic needs. This was indeed the rationale which lent strength and helped handicrafts survive various vicissitudes of the colonial period, summed up by D.R. Gadgil as the 'de-industrialisation' of India. But as shown above, soon after independence and long before 'globalisation' lashed at our shores, we had already torn apart handlooms, village industries and handicrafts from the very economic rationale of their existence to the toiling rural masses.

From the Third Five Year Plan onwards, this process of tearing apart of what were integrally inter-dependent, was set in motion. Soon it assumed menacing proportions as a systematic undoing of the initial formulation of the Mahatma and later Mahalanobis. Mahalanobis had in fact laid down that if and where necessary machines

already installed could be kept idle, but not human beings. Notwithstanding such clarity and commitment, government allowed large machinery imports, as for example, in the textile sector, leading to what this author described as 'handlooms face liquidation' in an article in the early '80s.

This long journey is to remind ourselves that while considerable and commendable efforts have been made in the past five decades to promote 'development' of handlooms and handicrafts and these efforts have achieved notable progress, we must be cognizant of the reality that (a) we may have won some battles, but have lost the war, (b) handlooms and the crafts have not occupied the vast, universal and crucial role in the Indian economy that was envisaged for them at the time of freedom and reinforced by Mahalanobis, in terms of ensuring widespread employment and purchasing power thus diminishing rural poverty and disparities and, (c) even such place as they occupy today is by no means secure; their security and survival in the future cannot be taken for granted as stronger winds of globalisation blow and are in fact being invited by our authorities to blow in this land. In time to come the crafts will be shaken loose even further from their roots which lie in 'localization', i.e. in decentralized production for local consumption and deriving their main strength from the domestic consumers.

But we need not wait for disaster to strike. We can start on some fortifications when we still have time on our side. To initiate a discussion on what such steps could possibly be, here are some suggestions:

- A movement to establish craft museums at every panchayat and municipal level by working closely with panchayat leaderships to reinforce local pride in local skills. These will be living museums. Each museum should build a directory of outstanding crafts persons of the area; Museums to organize two

exhibitions per year of local craft producers preferably to coincide with gram sabha meetings or Independence Day or Republic Day; To give awards to local crafts persons annually on Independence Day/Republic Day.

- Panchayats/municipalities to be approached/assisted to strengthen local haats to promote interest and preference in the local population in local products.
- To form crafts person's associations at 'area level' and 'by crafts' to protect their place and interest.
- Upgradation of skills and quality of products, e.g. type of work Dastkar and other such organizations are doing, but this has to be multiplied a thousandfold.
- Haats like Dilli Haat to be organized in all major towns with population of one million and above.
- Annual crafts fair in India for exports of products of the kind we want to promote.
- Stalls at all major railway stations and airports.
- Education and housing for all crafts persons, and introduction of craft education in school curriculum.
- For fostering daily visible aesthetics, to promote development of crafts linked with school/college education – dress, school bags, other equipment; and coordinated development with architects for use of crafts in public and private buildings and passenger buses.

All these may still be no more than a drop in the ocean, but without them even the drop will dry.

To conclude with an African parable – a favourite of Julius Nyerere: A rabbit was racing briskly. The people asked him, where was he heading to. The rabbit said, 'to fight the elephant.' His reply was met with derisive laughter. 'You are going to fight an elephant!' The rabbit said, 'Yes, I know, I can't fight the elephant, but I must give a fight.' □

(Adapted from the internet copy of author's write-up which earlier appeared in a magazine.)

Rural Tourism and Handicrafts

P Siva Sankara Reddy

ANY FORM of tourism that showcases the rural life, art, culture and heritage at rural locations, thereby benefiting the local community economically and socially, as well as enabling interaction between tourist and the local community for a more enriching tourism experience can be termed as rural tourism. Rural Tourism is essentially an activity which takes place in the countryside. It is multi-faceted and may entail farm or agricultural tourism and is experience oriented. The locations are predominantly in natural environments, they mesh with seasonality and local event and are based on preservation of culture, heritage and traditions.

A visitor's experience based on rural tourism is essentially relevant for India where almost 74% of the population resides in seven million villages. India's heart lies in its villages. Every rural community is steeped in folklore and indigenous crafts. The traditional way of life will greatly enrich the visitor's experience. Rural Tourism is often considered to be intrinsically sustainable, for it attracts small number

of visitors, there is no need for extensive infrastructural development, tourists are usually genuinely interested in the local culture and traditions. One of the main attractions of rural holidays is the personal interaction with local residents, so hosts and guests are able to share ideas and knowledge, and consequently tourism can fulfill its role as the 'industry of peace' as a tool of mutual understanding.

Rural India has a rich tradition of art, craft, culture and rural tourism is seen as a major avenue for this endeavour. The ministry of Tourism, Government of India and the United Nations Development Programme (UNDP) partnered the Endogenous Tourism Project during the Tenth Plan, focusing on the rural tourism experience and based on rural art and craft skills, cultural and natural heritage. The project is being implemented at 31 rural locations in 20 states with community participation through NGO or Panchayat Partners, District Collectors as focal points with specialised stakeholders. (Pochampalli in Nalgonda District) in Andhra Pradesh has been selected under this project. The

*Rich in traditions
of arts, crafts and
culture, rural
Andhra has
much to offer to
the nation and to
the world*

The author is Reader, Govt. City College, Hyderabad.

project's tourism focuses on capacity building and training in visitor handling, including home stays, guiding and cuisine will benefit low-income rural communities, women and unemployed youth.

The focus includes traditional Gurukul learning of art and craft to broaden the visitor's experience in rural India with sustainable community interaction. Pochampalli in Nalgonda District in Andhra Pradesh renowned for ikat tie and dye weaving of silk saris and fabrics have been selected under this project. The scheme will establish common facility centers for crafts persons and village 'kala Kendras' for them to showcase the arts and crafts, history and culture, nature and heritage at the identified sites. The activities also include training local residents in hospitality-related professions such as lodging, cuisine and guiding. Through convergence with local idiom and co-operative marketing channels, it will protect the environment, valorize host community heritage and enrich the visitors experience. UNDP has sanctioned US \$ 2-5 million for the project.

Andhra Pradesh has tremendous potential for rural tourism. Rural Andhra Pradesh is a fascinating canvas of myriad colours, cultures and customs. The people of Andhra Pradesh have patronized a host of arts and crafts which not only enriched the milieu but also kept the traditions alive through the ages. Andhra Pradesh's Handicrafts represents perhaps the oldest tradition of living culture offering creative expression all segments of the population. Andhra Pradesh has some of the richest sources in Handicrafts in India. The Heritage is being kept in rural communities throughout the state. The Rural Handicrafts provide a valuable contribution to Andhra Pradesh's tourism product. The objective of the paper is to identify handicrafts as one of the major components of rural tourism, and to

study how rural tourism can be effectively promoted through Handicrafts as a means and thereby fulfilling the desired objectives of promoting rural tourism in Andhra Pradesh.

Handicrafts in Andhra Pradesh

Handicrafts symbolizing man's executive impulse to present beauty in its varied forms, craft, through the centuries has played and continues to play an important role in the economic life of the community as a major source of providing means of livelihood to many and help in sustaining our rural economy. Andhra Pradesh has inherited a wealth of traditional arts and crafts, many of which have come to find favour with art lovers not only in India, but in many parts of the world.

Kalamkari

Kalamkari falls under the category of printed cotton textiles, which are produced in Machilipatnam in Krishna District, printed Textiles includes all fabrics on which a pattern is produced subsequent to the weaving of the cloth, by the application of dyed stuff or pigment to the surface of the fabric. During the medieval period, the Coramandal Coast was known for its superbly pointed clothes which attracted merchants from Persia and other parts of the world. Describing the dyeing industry in south India, the imperial gazetteer of India refers to Machilipatnam as a seat of production of admirable chintzes for many centuries which are really hand-printed textiles so perfectly coloured that it is sometimes difficult to distinguish them from the finest embroidery. In the process, Kalamkari attained a high level of perfection. Rich shades of colour and exquisite designs blended together beautifully to make each piece a work of art.

The uses of Kalamkari fabrics are varied. They can be used for decorative

or functional purposes. The progressive dovetailing of Kalamkari material for conversion into dresses and readymade garments besides a variety of table linen, bed linen furnishings for drawing rooms an upholstery has vastly expanded the scope of application of this material. The Kalamkari art has evolved in Machilipatnam, where nearly 200 families practicing this art, was largely influenced by motifs from Persia-the only other country where Kalamkari art still prevails. The Machilipatnam work is of the painted-printed style with the outlines printed with beautifully carved blocks and the interior spaces filled in vegetable dye with Kalam (Wooden Pen) from which the work Kalamkari is derived.

Kondapalli Toys

Toys are made of various denominations of raw material in different parts of the country. But Andhra Pradesh has carved a niche for itself in the field of wooden toy-making. Originating in the 14th century with the arrival of a few families of artisans from Rajasthan, the craft grew up under the patronage of local rulers, while the easy availability of punki wood, main raw material, in the neighbouring forest provided an ideal location for the growth of the craft. Kondapalli depicts rural life in all its variety and colour having as its themes the ordinary village occupations as well as mythological figures glorifying the beauty and valor of Hindu Gods goddesses. Punki wood is light, soft and easily handled. After the wood is seasoned and carved, curves and joints are made by smearing tamarind glue mixed with saw-dust, the figures are then coated with lime to prepare them for varnish and paints.

Etikoppaka Toys

The proximity to the forest area in Srikakulam with plenty of yield of 'Ankudu Karra', a light species of wood mainly prompted the concentrations of

this craft in Etikoppaka, even though there are small pockets of craftsmen in this line in other places also. The products of this crafts are colourful and characteristically Indian and these include models of kitchen utensils, birds, fruits, vegetables, temples, houses, carts and many other items that could rouse the interest of a child. In recent decades, the craftsmen have evolved new items of house decoration such as vases, bead-screens, mirrors and stools, besides articles of educational interest, most of the articles in this craft are turned out of lathes and this is followed by application of lacquer in wide range of colours that send beauty and appeal to the articles. The families of artisans prepare coloured lacquer sticks by adding powder colours to schellac while it is heated.

Nirmal Art

The origin for the Nirmal Craft can be traced back to the 14th Century. The Village Nirmal is located in Adilabad District amidst forest. Apart from extensive availability of light wood in the adjoining forests, there were a number of colour yielding gums, stones and other substances in the nearby hills. These, combined with geneous patronage of the local nobility, stimulated the growth of this unique art that has come to be known by the name of Nirmal. Over the centuries, Nirmal has become the home of a concentration of craftsmen, known as 'Nakash' whose traditional art was painting scenes from the Ramayana and Mahabaratha using indigenous colours made from minerals, gums and herbs. The craftsmen of Nirmal have the distinction of having evolved a unique method of making gold colour from herbal juices. Popular items include boxes for jewellery and trinkets made out of a light species of wood called the 'Punki Wood', Ganjifa boxes and playing cards and 'Kanchibbas' (Food tray covers). Some of the colours originally used in Nirmal were very distinctive such as earthy

browns, bottle greens, glowing reds and often striking blacks and yellows besides golden hues used to embellish mythological figures and scenes from the epics. In Nirmal, seasoned teak wood and other hard boards, instead of light species such as Punki wood, are used in making Nirmal art ware. After the wood is cut into the required shape and finished on a lathe, the article receives coating of Nitrocellulose compound which provides a smooth surface and then duco paints of the required colour are used. The Nirmal industry has also evolved the technique of miniature painting as a special line.

Handloom Textiles

The creations of the handloom weaver cover a wide range of products, and their application and use likewise cover a wide-range of consumers, from the fastidious to the ordinary, from the indigenous to the overseas. All these have contributed to the role of this ancient craft in the economic and cultural life of the people, especially in the rural areas. Andhra Pradesh offers a rich fare in hand-woven and hand-printed textiles which were the subject of extensive trade with the far East and Europe from the earliest times which in turn influenced, in great measure, the subsequent trends in terms of use of the variety of materials, the range of textiles, designs and colours. Another special feature is that the handloom industry in A.P. has come to envelop the use of all the three main varieties of raw material i.e., cotton, silk and wool.

Dharmavaram Silk Sarees in Ananthapur District with broad solid colour borders and contrasting 'pallu' woven with brocaded gold patterns are worn on all important occasions. The sarees with their close similarity to silk sarees produced in other centres like Kanchipuram Silk Sarees have a wide appeal. Gadwal in Mahaboobnagar District, also rich in silk and brocade work, often distinctive patterns influenced by the motifs drawn from the

monuments of the area. Besides, Gadwal offers a combination of cotton and silk, with a cotton body with zari checks or other motifs and rich silk and gold border and pallu.

The most fascinating addition to the collection of A.P. sarees is the tie and dye sarees evolved during the current century in a number of centers mostly in Nalgonda District. This process of tying and dyeing of the warp and weft threads before weaving is also called the 'ikat'. Originally used as turban or upper cloth in the rural areas, has in recent decades been extended to the weaving of sarees in Nalgonda District. The telia-rumals as they were originally evolved, carried geometric patterns with the basic colours being confined to the Maroon, the black and the white. In the context of its adoption in centres in Nalgonda District, the technique has been extended to the weaving of not only sarees, both in silk and cotton incorporating figurative mariffs, but also making a variety of other items such as made-ups, and material for dress making and furnishing which is increasingly becoming popular for export. A few master weavers even make double 'ikat' sarees and material involving the use of tie-dyed yarns both in the warp and weft. There are an estimated 18,000 looms engaged in the weaving of tie-dyed fabrics.

Rural Andhra Pradesh has much to offer to the nation and to the world. Rich in traditions of arts, crafts and culture, rural Andhra Pradesh can emerge as important tourist spots if the concept of rural tourism in marketed well. It will definitely be a major earner of foreign exchange for the country. Rural tourism will hasten the process of development and give a chance to the village folks to interact with the outside world. It will boost employment opportunities in rural areas and the products of rural artisan will find a ready market. □

DO YOU KNOW ?

SUBSIDIES

What is the rationale behind subsidy on fertilisers?

In the mid to late 1960s, the government realised that given the rate at which the population was growing, cereal production would have to more than just keep pace and this would soon not be possible through increasing the area under cultivation.

Hence, higher yields were the only options. As part of the strategy for increasing yields in the Green Revolution, a need was felt for dramatically raising the level of fertiliser use in Indian agriculture.

Since it was also felt that the use of fertilisers by farmers would not increase unless prices were kept low, this meant subsidies would have to be offered. Thus, after a few brief experiments with other methods of subsidising fertilisers, the retention pricing scheme (RPS) was introduced in 1977.

To begin with the scheme covered only nitrogenous fertilisers, the primary one among them being urea. Di-ammonium phosphate (DAP), a complex phosphatic fertiliser, was also brought under the RPS in 1979 and single super phosphate (SSP) in 1982.

What is RPS and how does it function?

The retention pricing scheme essentially recognised that while the government may feel the need to keep the selling prices of fertilisers cheap for farmers, it would have to pay a higher price to the producers, if it was interested in encouraging domestic production of fertilisers.

Thus, the RPS had a two-tiered price mechanism, both prices being fixed by the government. While the selling price was fixed at the same level for all producers, the price paid to the producers varied from

plant to plant based on normative costs of production for each plant. As a result, the subsidy given to each plant was different, depending on their feedstock and their vintage among other things.

How is the price for each producer arrived at under the RPS?

The price for each plant is fixed on the basis of normative costs.

In other words, there are norms pertaining to the capacity utilisation of the plant, the price and quantity of raw material inputs for a given output and for capital costs depending on the age of the plant.

Thus the age of the plant, the raw materials it uses and its rated capacity were all parameters that would influence the unit price to be offered to the plant for its output.

In addition to these costs, the RPS factors in a 'reasonable' margin for the producers.

The capacity utilisation norms have changed over the years and there are variations too between coal-based gas-based and other fuel-based plants.

To sum up, the RPS operates on the assumption that a particular plant should be able to produce a given fertiliser at a certain price and that is the price offered to that plant.

If the plant, in fact, is more efficient than the norms demand, it would be able to cut down its actual cost of production and hence increase its margin, while conversely if its efficiency were to dip, it would take a cut in margins.

Are all fertilisers still covered under the RPS?

No. In 1992, based on the recommendations of a Joint Parliamentary Committee, the government took phosphatic and potassic fertilisers out of the purview of price controls.

The assumption was that those using these fertilisers could afford to pay for them.

What in fact happened was that while consumption of these fertilisers dipped dramatically, consumption of urea, which remains under the RPS rose sharply, leading to a distortion in the balance of nutrients between nitrogen (N), phosphate (P) and potassium (K), which was considered extremely dangerous for the soil by experts.

The government was soon forced to reintroduce the subsidy on potassic and phosphatic fertilisers too, though under a flat subsidy scheme.

Under this scheme, the subsidy per unit of fertiliser was fixed irrespective of costs of production.

Are the subsidies restricted to fertilisers produced in India?

No. The government also subsidises imports of urea, DAP and MOP, which have been canalised imports. In the case of MOP there is no domestic production at all and all of the country's requirement of MOP is imported.

The bulk of the government's fertiliser subsidy, however, is spent on domestically produced urea. In the revised estimates for 1999-2000, for instance, the outlay for indigenous urea alone is Rs 8,670 crore, while subsidy on imported urea was just Rs 80 crore. The subsidy on decontrolled fertilisers (potassic and phosphatic fertilisers) was to the tune of Rs 4,500 crore. The total amount spent by the government on fertiliser subsidies last year was thus Rs 13,250 crore almost two and a half times the Rs 5,185 crore spent on this head in 1991-92 when the government first started its attempts to rein in the fertiliser subsidy bill. ■

1857 1857 1857 1857 1857 1857



First War of Independence

Madhu R Sekhar

THEY CALLED it Sepoy mutiny. Termed it as only a rebellion. The colonial historians regaling in their never setting sun past preferred to condemn the feelings, sentiments and spirit of individuality and preferred to name the spirit of a nation as mutiny.

Although dismissed by some as a Sepoy mutiny or as a protest against the violation of religious rights by the British, the great uprising of 1857 is India's First War of Independence. It was the greatest challenge to the colonial rule, which swept across the world, during the entire course of the nineteenth century. The only other such upheaval was the American War of Independence against the same colonizers. The 1857 upheaval drew into its fold people from all walks of life and religions. It triggered demands for radical social and economic reforms. It was the calling for a new society that would be more democratic and more representative of popular demands. It was the fight against the lust of a colonial company which wanted to bribe its political masters of the so called cradle of modern democracy. The British East India Company, the force

behind the colonization of our country, stated in its accounts as early as 1693, that its annual expenditure in political gifts to men in power in democratic U.K. reach 90,000 pounds. And this was only a minor part of their income from India. Of course the British historians made the Impeachment of Warren Hastings. For taking kickback a part of their history. But, what happened to the real millions who were looted to pay the bribes? Records say the company exported noted quantities of gold, jewels, silk, silver, cotton and a host of other precious materials to England every year from India. This extraordinary quantity of wealth, collected as taxes from India, was absolutely critical in expanding public and private infrastructure in Britain and in financing British colonial expansion elsewhere in Asia, Africa and Latin America.

It was Karl Marx who first questioned and refused the British propaganda that the 1857 incident was a mutiny. Marx began writing on India in 1853 as London Correspondent of New York Daily Tribune, an newspaper with the largest circulation in America at the time. In two articles, titled British Rule in India and 'Future Results British Rule in India' he described how

British rule had destroyed the society and economy of India. He stated that the colonial rule had inflicted untold miseries on Indian people. In the second article, he looked forward to the day when the Indians amass enough strength to overthrow the British Company rule and liberate themselves from the European strength to overthrow the British Company rule and liberate themselves from the European colonial yoke altogether. When the Bengal army rose in May 1857 against the colonial rule he wrote in the same newspaper that it was general reflection of the Indian attitude against the foreign rule. In another write up he criticized the movement for not finding a person upon whom to bestow the leadership which was indispensable for organizing such a movement. In an article on August 14, 1857 he described it as a national revolt.

The movement of 1857 was not a bolt from the blue. The period between 1763 and 1856, during which the British East India Company established their rule, was not at all one during which India accepted the alien rule passively. Numerous uprisings by peasants, tribals and princely states confronted the British.

(Email: madhursekhar@gmail.com)

The author is News Editor, AIR, New Delhi.

The different weaves....

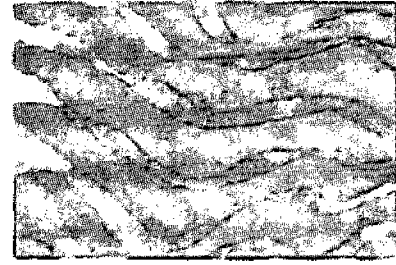


tie-dyeing

*rajasthan, gujarat
orissa andhra pradesh*

Different types of tying techniques have been practiced in India since centuries.

Bandhani (tying cloth after tying small dots or li. Subori (binding stitching, folding, twisting or compressing cloth before dyeing). Dip-dyeing and Lehariya (reests wrapping before dyeing to create wavy, lines) are commonly produced in Rajasthan are Gujarat. Ikat, where warp or weft or both yarns are tie-dyed according to a pre-determined pattern before weaving, is traditionally produced in Orissa and Andhra Pradesh.



applique

gujarat

Among the traditional textiles of

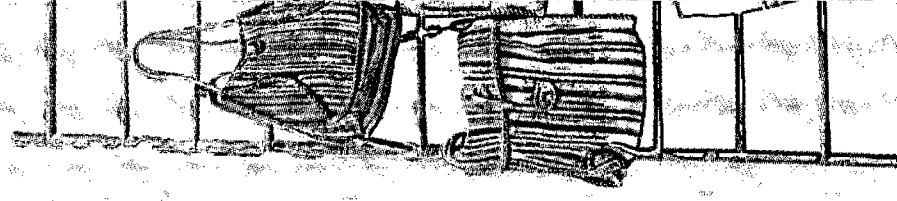
India, the art of applique occupies a distinguished place. Defined as a decoration or trimming made of one material attached by sewing, gluing, etc. to another fabric-on-fabric stitched applique is widely prevalent in the western states, especially in Gujarat and Rajasthan and parts of Orissa. In Gujarat, applique is locally referred to as the 'katali', a probably distorted form of the English phrase 'cut-up'.



hand block printing

rajasthan, gujarat

India has been renowned for its printed cotton cloth since the 12th century. Created by stamping pre-determined patterns on cloth, using natural dyes and hand-carved wooden blocks, the process of printing cloth by hand is elaborate and precise, each piece a unique creation. Main centres for the craft today are several areas in Rajasthan, Gujarat and Andhra Pradesh, each distinct in style and technique.





The Craftmark program is an initiative to help Indian craftworkers and craft organizations to take advantage of economic opportunities in the domestic market and break into mainstream retail markets.



hand embroidery

various traditional all over india

India has several embroidery traditions typical of certain regions. While use of colours, themes, patterns, motifs, and embellishments vary from place to place, it is mostly womenfolk that engage in this craft. Like most handicrafts, embroidering activities are typically community-based. Skills are passed down from generation to generation. Some of the popular embroideries of India are *zardozi*, *chikankari*, *phulkari*, *kantha*, *sujni*, *katchchi*, etc.



turned-wood toys

etikoppaka, andhra pradesh

Situated on the left bank of river Varaha, 20 kilometers to the south of Yellamanchili, Etikoppaka is famous for the turned-wood toys made with the light and soft-grained *Ankudu* wood, picked from the nearby hills. After the basic shape is created on a lathe, the toys are hand lacquered in bright (vegetable) colours by heating and applying the lac powder evenly onto the rotating toy. Today the craftspeople of Etikoppaka make not only toys but several utility items as well.



khadi

india

Khadi has been spun and woven in India's villages for decades and was Mahatma Gandhi's symbol for *Swaraj* (self-reliance) during the Indian Freedom Movement. Khadi is handwoven using yarn spun by hand on a *charkha*. Hand-spinning imparts a soft twist to the yarn, which creates fabric that 'breathes' and is thus very comfortable to wear. The Khadi industry still provides sustenance to thousands of rural families.

J&K WINDOW

Statement adopted at the Third Roundtable Conference on J&K

THE PARTICIPANTS at the Third Roundtable Conference welcomed the continuation of the process of a wide ranging dialogue initiated by the Prime Minister in February, 2006, and carried forward in Srinagar in May 2006. It was acknowledged that this had helped evolve a better understanding of the issues and problems that affect the lives of the people of Jammu & Kashmir. It had produced an environment in which the citizens of all parts of the State could hope to lead a life of dignity, self-respect and fulfillment without fear of war, and want or exploitation and discrimination.

The members expressed their appreciation for the sincere efforts made by the Working Groups established at the end of the Second Roundtable Conference and observed that the recommendations made by the first four Groups which had submitted their reports could very substantially contribute to the objectives of the dialogue process.

The Conference gave in principle endorsement to the approach suggested by the Working Group on Confidence Building Measures across Segments of Society in the State viz. strengthening human rights protection; improving relief and rehabilitation of widows, orphans and other victims of

militancy and violence; and preserving the rich and diverse cultural landscape of the State. It appreciated the concerns expressed by the Working Group regarding the rights of all minorities in J&K, and the urgent need to facilitate the return of Kashmiri Pandits to their hearth and homes. It urged the State/Central Government to take all possible initiatives towards this end, and also to resolve, in a time bound manner, other

Balanced Economic Development of Jammu & Kashmir and urged the Central and State Governments to take steps to carry them forward. To start with, these should be adequately integrated with the Eleventh Plan. Issues requiring further consultations could be taken up in a time-bound manner through a suitable mechanism of the Central and the State Governments. It also takes note of the fact that the State Finance Commission and institutional structures have been set up to ensure balanced regional development.

The Roundtable Conference fully endorsed the recommendations of Group IV on Good Governance and urged the State Government to operationalise them

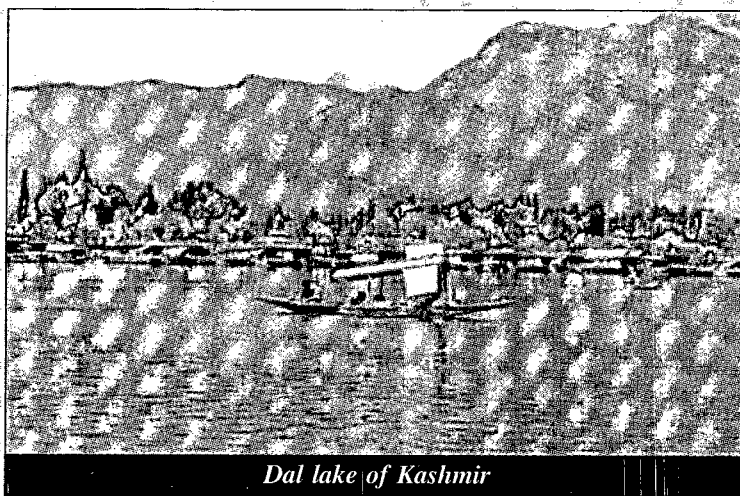
long pending issues like rehabilitation of refugees from West Pakistan in 1947 and persons affected by the wars of 1965 and 1971.

The Conference applauded ongoing efforts to strengthen people to people contacts and promote trade and commerce across the LoC. It endorsed the recommendation of the Second Group and need to further streamline these processes, and to expand and deepen such contacts and exchanges in the spheres of trade, tourism and various other walks of life.

The Conference endorsed the recommendations of Group III on

in right earnest in order to bring greater efficiency, transparency and accountability into the systems and processes of governance and to bring the Government closer to the people.

The Roundtable Conference recognized that steps relating to a number of recommendations had already been taken but new initiatives still needed to be launched. It resolved that the recommendations would be further examined by the State and Central Governments in the light of the observations made during the discussion to ensure that further initiatives and decisions could be taken in a time bound manner. ■



Dal lake of Kashmir

The ceasefire that came into force on the borders of Jammu and Kashmir in November 2003 has heralded positive changes in the lives of the people of the border region of Kargil. After having faced the trauma of war displacement life is returning to normal for thousands of Kargil residents.

As the peaceful Shia population dominating this extremely conservative land-locked district now enjoys the peace brought by the ceasefire, they remember to pray for the longevity of this "fragile peace".

Located at an altitude of 2,704 meters, 204-km from Srinagar in the west and 234-km from Leh in the east, this district, adjoining the Line of Control in Ladakh, suffered much devastation during the 1999-Kargil conflict. Since then, many developments, have taken place in the region. The IT revolution has touched lives, evident from the mushrooming Computer Centres and the expanding network of Army Goodwill Schools (AGS) in the entire district.

The most prominent and positive change visible in this orthodox region is amongst its conservative Shia girls and women, who are coming out in large numbers for economic empowerment.

As a bright sun rises over the beautiful barren hills of Kargil town along the banks of the gushing Suru river, Razia Bano, a young Shia girl from Wakha village, treads her way to the Women Empowerment Centre situated in the heart of Kargil town, head properly covered with a scarf. So do dozens of other Shia Muslim girls

who have also been caught up in the winds of change sweeping Kargil.

A class 12 pass-out, Razia Bano was not permitted to go to college for higher studies. Educating their girls is not encouraged by the conservative community in Kargil, since it implies stepping out of the house. After sitting at home for a couple of years, this once brilliant student succeeded in persuading her parents to allow her admission at the Women Empowerment Centre (WEC), set up in Kargil town a few years ago under Operation Sadhbhavana (Goodwill) of the Army. She enrolled herself for a one-year

'The women generate additional income for their families and partake in decision-making at the village level'

diploma course in DTP at the WEC, which boasts an infrastructure of six internet connections.

What was merely a dream to Razia Bano, Zakiya Bano (who travels 21 kms everyday from Kumbathang to Kargil to attend computer classes) and many other girls, has today become a reality in this far flung region.

For the last seven years, since the Kargil conflict broke out, the newly set up 14 Corps of the Indian Army has undertaken extensive developmental works in the entire Ladakh region. In a region where the temperature touches sub-zero (up to -60 degree C) and the state administration is practically non-existent, the Army has done much for the people of Ladakh. With the objective of winning over the hearts and

minds of the people, Operation Sadhbhavana involves a number of initiative such as Women Empowerment Centre that have started yielding good results.

The WECs not only empower women by training them knitting, weaving, tailoring, embroidery, carpet, weaving etc. and making them self reliant, but also pay the trainees during the period of training. The women are not only able to generate additional income for their families but partake in decision making at village level.

For the six months' period of winter, when the Zojila Pass, the gateway to the frontier region of Ladakh, gets blocked due to heavy snowfall, the Women Empowerment Centres and Adult Literacy Centres help the local women considerably. In addition to picking up vocational skills and selling their products like shawls, sweaters, balaclavas etc at the Centres, they also learn how to read and write.

Women can weave a small carpet or do embroidery over a shawl that can fetch them anything from Rs 150 to Rs 1000. Besides, the WEC products like mufflers, gloves, balaclavas and woollen socks are purchased by the families of the soldiers and officers. These are also put on sale in the Cooperative melas organised by AWWA (Army Wives Welfare Association).

Many trained women have successfully turned entrepreneurs and are gainfully employed. Through the Empowerment Centres, they are trying to make a living and educate their children. Several have set up their own businesses.

(Courtesy: 'The Statesman')

Strawberry fields take a hit in Jammu

This time around growers of red and juicy strawberry in the state are themselves in red after being hit hard by March rains and hailstorm that damaged over half of the standing crop ready for the harvest.

Farmers in Jammu say they have suffered losses worth over Rs 1.50 crore.

Though the production is catching up as summer has started setting in but growers would not be able to overcome heavy losses, provided government lends a helping hand.

"We had never thought in our wildest dream that strawberry growers would suffer losses to such an extent", said president of Strawberry Growers Association Sham Singh.

Talking about widespread damage, he said, "In Kandi area we lost over 50 per cent of standing crop while the loss was even more in irrigated areas where water stagnated. In some areas the fruit crop has been wiped out".

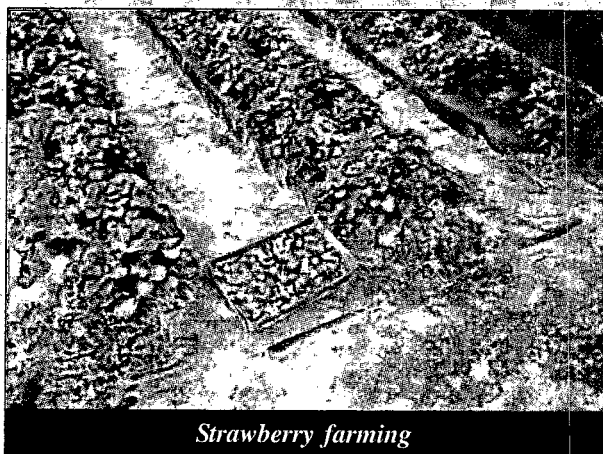
Pinning hopes on the government Singh said, "Soon after unprecedented rains and hailstorm in March, a delegation of strawberry growers met Chief Minister Ghulam Nabi Azad and requested him to compensate farmers".

"He had asked Chief Secretary C Phunsog to look into the matter, who in turn directed horticulture department to assess the loss. But since then no help has come to us", he said, adding "We would try and meet the CM again before Darbar Move because if help did not come to the strawberry growers then they would be ruined".

"Fifty-eight growers trained by National Horticulture Board for

Strawberry cultivation had availed a loan of over Rs 2 crore and now they are in direstraits after suffering fatal four-way damage" he said.

Singh also divulged that over 65 other growers, who planted the strawberry sprout plants on their own, are too in a fix.



Strawberry farming

A single grower spends Rs 26,000 per kanal for planting a good variety of strawberry while it costs Rs 20,000 per kanal to growers who plant average quality sprouts.

'Unprecedented rains and hailstorm at a few places during March had a devastating impact on strawberry crop resulting in damages, said official sources'

Unprecedented rains and hailstorm at a few places during March had a devastating impact on strawberry crop resulting into damages, said official sources.

This year 30 lakh strawberry sprouts had been planted by the farmers and the yield was expected at six lakh kilograms but for incessant rains the production would not be even closer to three lakh

kilograms said sources.

Every year farmers in plains of Jammu plant the sprouts between mid-October and first week of November and fruit matures during first week of March.

Being a fragile plant with shallow root system of just 20 to 25 centimeters depth untimely rains killed most of the plants, damaged fruits and badly affected the blossoming said sources. People in Jammu tasted damaged fruit in the month March.

However, with summer picking up momentum strawberry lovers would get good fruits during April itself.

Though a fruit-processing unit in Samba has procured five tons of affected strawberry but growers now feel like standing at the crossroads in the wake of heavy losses and minuscule market of Jammu, said sources, adding with productions catching up in wake of rising temperature they are now trying to export the produce to Srinagar.

Admitting extensive damage to strawberry crop, Director Horticulture Mohammed Shafi Qasba said, "Soon after abnormal climatic changes in March our field agency surveyed the areas to ascertain extent of damage and losses".

"A detailed report was submitted to the government ten days back," he added.

Responding to question regarding delay in compensation to growers, Qasba said, "Government is always ready to meet such losses arising out of natural calamities. Report stands submitted and now government has to take a decision".

(Adapted from writeup in 'Kashmir Times')

Eklavya IAS Academy

Civil Services Examinations, 2008

Workshop - 10 June 2007

The last decade has witnessed a lot of changes in service preferences with a large number of young men and women preferring to join the private sector. Particularly, after India's major economic reforms post 1990s, speculation was rife regarding how the Civil Services may finally lose its iconic status and how the country's executive system may never be as powerful as it had been.

However, nothing has been able to take the sheen off the coveted civil services and its indispensability has been duly acknowledged. Indeed, a career in civil services gives immense opportunity and power to make things happen the way you want them to happen. Even today every year around 500 candidates are recruited by the government to fill vacancies in India's most prestigious government services, e.g. IAS, IPS, IFS etc.

If you are a graduate in any discipline and have the desperation to achieve some thing big in life, grab the earliest opportunity and crack the examination in your very first attempt. Get started by joining our day-long **FREE** Workshop on June 10, 2007 (Sunday) followed by our Foundation Course commencing from June 16, 2007.

Interested candidates may please register on phone and reach the workshop venue by 9 a.m. for a *Total Conversation* with a team comprising highly motivated and committed faculty who can address all your nagging queries and curiosity regarding the career and its prospects before you actually jump in the fray.

Venue: Eklavya IAS Academy

9-month FOUNDATION COURSE

(A Complete Package for Prelim, Main & Interview)

in

General Studies Public Administration History

Classes beginning with a 3-day orientation programme from June 16, 2007
Admissions beginning May 21, 2007

FACULTY:

GS: M T Zaman, Sanjay Kala, Shabbir A Bashir, Ravi Rakesh, Rashid W, R Bhardwaj & others
Public Administration: M T Zaman, History: Ravi Rakesh

Also starting Exclusive Batches for MAIN 2007 in
PUBLIC ADMINISTRATION, HISTORY & GENERAL STUDIES

EKLAVYA
IAS ACADEMY
— AN INSTITUTE FOR EXCELLENCE —

A-17, IInd Floor, Sonu Tower, Beside Batra Cinema, Dr. Mukherjee Nagar, Delhi-9
Ph.: 011-27653421, 27653766. Mob: 09811281225

IAS 2007

RIAS Academy

Centre for successful learning

MAIN &

MAIN CUM PRELIM (FOUNDATION)

→ **SOCIOLOGY**

→ **ESSAY**

→ **GENERAL STUDIES**

SOCIOLOGY

INTRODUCTORY CLASS BEGINS

Under the guidance of

B. Ramaswamy

Sociology by a sociologist.

RAJENDER NAGAR

31st MAY

9 A.M.

NORTH (HUDSON LINE)

13th JUNE

5.30 P. M.

ADMISSION OPEN

RAMASWAMY'S IAS ACADEMY

Central Delhi 22, Rajendra Park, old Rajender nagar

North Delhi 2262 Hudson Line, Kingsway camp

9312265261, 22783789, 09868926261

E-MAIL : swamyias@yahoo.co.in

YE - 6/7/15

SYNERGY



AN INSTITUTE FOR CIVIL SERVICES EXAMINATION

.....The leader in

Public Administration

by M. K. Mohanty

Orientation Session on 31st May 2007

Regular Class Starting from 7th June 2007

Admission Date 29th May & 30th May 2007

Schedule for Current Session- 1st week June till 2nd week of Sept. 2007

Course Offered

*** Public Administration (Mains only)**

*** Public Administration (PT-cum-Mains)**

{Both English and Hindi Medium}

*** Mains Test Series in :- Public Administration & General Studies**

- ➔ New And streamlined Study material
- ➔ Day to Day Schedules for each & every day of course
- ➔ Main and PT test series is included in Mains and PT-cum-Mains Course itself
- ➔ Real feel of Examination through mock tests

SYNERGY

**Head Off:- 301 Jaina Building (Extn.), Commercial Complex,
Dr. Mukherjee Nagar, Delhi-09. Ph. 011-27654518,
27653494, 9868839766, 9818163463.**

**Branch Off:- 18/4 First floor, (opp. Aggar. Sweet), Old Rajendra
Nagar. Ph. 011-25728391, 9868839766, 9818710166.**

For more details Contact us at civilsatsynergy@yahoo.com



This is the time to pursue your dreams,
if you want to bring them alive.

As always, we are with you adding wings of
confidence to your flight of success.

evolution

Admissions open for Session 2007 - 2008

IAS 2008 FOUNDATION COURSE | COURSES FOR IAS MAIN 2007 | IFS 2008 FOUNDATION COURSE

The Civil Service Examination is Changing Fast.

... and you constantly need to evolve your preparation, if you are serious about excelling in this fiercely competitive examination.

Over the years, our team of experienced teachers and eminent educators have guided a large number of aspirants to splendid results in the Civil Service Exam.

We as a team are constantly striving to develop a total support system which augments your preparation most completely. So that you stay ahead of the competition and success remains a foregone conclusion.



**You reach for the stars..
We show you the way !**

How do we bring out the winner in you?

Only experienced teaching members & researchers from premier universities, known for wide knowledge base and teaching acumen | Courses which are designed after a comprehensive review of the examination pattern | Study materials prepared from all the authentic and updated sources, which are truly "UPSC class" | Very scientific and interactive mode of teaching | Regular Tests to assess the progress periodically | Personal attention to the students on individual strengths & weaknesses | Regular consultations and motivational talks by serving Civil Servants | Application of modern teaching tools such as Visual Projections & 3D Computer Animations | Plus, every possible innovation that secures a competitive edge to the students in the IAS and IFS Examinations.

RECENT ACHIEVEMENTS

An unprecedented success rate in the Indian Forest Service (IFoS) Examination 2006. A total of 16 selected candidates (out of the total selection of 35) have been our students.

In IAS 2005, a total of 10 students secured ranks within the Top 100.

In IAS 2004 our student Dr. Basant Garg secured the All India Rank 2 in his very first attempt.

The subjects we specialise in.

Based on background and aptitude, the student can avail our courses in the subjects below. A personalised counseling by the faculty is available to help the students in selecting the most suitable subjects.

GENERAL STUDIES

ZOOLOGY

BOTANY

AGRICULTURE

GEOGRAPHY

PUBLIC ADMIN.

PSYCHOLOGY

MATHEMATICS

PHYSICS

CHEMISTRY

evolution

For more information about the Civil Services Examination & our preparatory courses, please contact us at:
B 11 (2nd Floor), Commercial Complex, Batra Cinema Road, Near ICICI Bank ATM, Dr. Mukherjee Nagar,
DELHI - 110009. Phone: 011 - 3297 4645, 3297 4651 (Office Hours: 10 AM - 6 PM. Sunday Closed).

JYOTI IAS

... Coaching Point

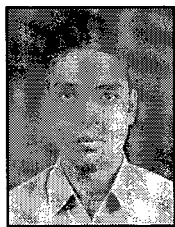
Our Rank Holders



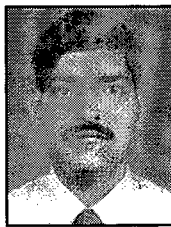
Sugandha Sharma



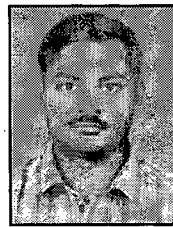
Satyam Prakash



Sachin Dixit



Dinesh Kumar



Vijay Kumar

G.S. by an **IAS Allied**
(Honorarium)

GEOGRAPHY
&
GEOLOGY

by

N.B. VIDYA

MSC-NET, L.L.B (D.U.)
Unesco Project Activist

- Batches Starting June 1st Week
for Mains and PT Cum Mains.

• Analysis by LCD PROJECTOR makes understanding easy.

POSTAL COURSE AVAILABLE.

M1, A-23, 24, Satija House, Dr. Mukherjee Nagar, (Behind Batra Cinema) Delhi-9

9868917268, 9899326009

E-Mail : vidya2k7@gmail.com,

Website-www.geologyclasses.com

Over the last four years **ENSEMBLE** had over 273 results, that included 13 in top 10, 48 in top 100, Hindi topper for three successive years and also highest marks in Geography for three successive years. Two top rankers, Rank 3rd (Randbir Kumar) and Rank 8th (Abhishek Prakash) from Geography were from **ENSEMBLE** in 2006. Every 6th to 8th candidate qualified for Civil Services since 2002 belong to **ENSEMBLE** and the institute has the highest enrolment to success ratio.

IAS 2007-08

E N S E M B L E

Programme for 2007-08

General Studies

Advanced **INTEGRATED** Course for Mains & PT 2008

Six month Integrated Course of GS for beginners to help them prepare intensively as well as extensively for Mains and PT both well in advance of others. Designed to give enormous strategic advantage to students, giving them a near perfect preparation. Specially designed keeping in mind the negative marking scenario.

25th June to end January 2008

80

90

A six day long session involving discussion of 80 questions of 1st paper GS and 90 questions of 2nd Paper GS with model answers and special memorization classes. Bound to minimise the efforts of candidates for Mains 2007.

After PT results

Psychology

From 21st June 2007

History

From: 5th June '07

Philosophy

From: 21st June '07

Pol. Science

From: 18th June '07

Geography

Basic **GEOGRAPHY**

A nine-day course to make the candidates aware of the fundamentals that make up geography. Indispensable for all those who plan to take geography as an optional as well as to lay the foundation for studying and comprehending the entire syllabus.

1st June to 9th June 2007

Mains Course

Geography Mains Course is a basic course with an extensive coverage of the Mains syllabus. The course has been specifically designed for candidates who are appearing for Mains 2007 as well as for beginners who do not even know ABC of Geography. The course intends to prepare the candidates to take this examination anywhere under any circumstance without any assistance. The course aims to help the candidates secure an above average marks in the Mains examination.

12th June to 29th September 2007

Advanced **INTEGRATED** Course for Mains & PT

Six month Integrated Course of Geography for beginners to help them prepare well in advance of others. Designed to give enormous strategic advantage to students, for PT and Mains 2008.

1st June to Mid November 2007

Quality Improvement Programme

Equips candidates to write and frame any answer from varied angles. Discussion of answers of all possible questions that has been asked and the questions that can be framed. Perfection in writing introduction, conclusion and structuring of answers.

16th July and after PT results

30

40

A three-day discussion of 30 long answers and 40 short notes with model answers of 15 long answer and 20 short notes and answer structure of rest 15 long answer and 15 short notes.

After PT Results

ENSEMBLE Knowledge Park: B-5/4, Poorvi Marg, NEA, Opp. Sir Ganga Ram Hospital,

(Below ICICI Bank), Old Rajinder Nagar, New Delhi: 110060 Tel.: 011-42430022/33/44

E-mail: ensemble_north@airtelbroadband.in, ensemblecareersolutionspvt.ltd@gmail.com

North Delhi Branch: 2272, Hudson Lines, Kingsway Camp, Delhi-110009, Tel.: 011-27418242, 27411099

SAROJ KUMAR'S IAS ERA

IAS/PCS - 2007-08

GEOGRAPHY & GENERAL STUDIES - (P.T.&Mains) WITH

SAROJ KUMAR

IN हिन्दी / ENGLISH MEDIUM

Our IAS Toppers



YOGENDRA MITTAL



ANOOP JAISWAL



SUMIT YADAV



RASHMI BAGHEL



RAJESH KUMAR



KRISHAN KUMAR NIRALA



PREM VIR SINGH



MANOJ KUMAR SHARMA



DEEPAK RAWAT



VINOD KUMAR



LOVE KUMAR



AJAY KUMAR



RAM BABU



RINKU KUMARI



ARVIND KUMAR



ABHEY KUMAR



Sanjay Aggarwal 1st Rank 2002

PCS TOPPER - U.P., M.P., Raj., Uttranchal, Haryana, Bihar



SHRADDHA JOSHI



MANOJ SAINI



RAJENDRA PRASAD SHARMA



MITHLESH KUMAR



DEVENDRA PINCHA



RAJENDRA S. PURAHT



RAKESH SAINI



SHAKTI SINGH



DILIP SINGH TOMAR



HARISH LADDHA



CHANDRA KANTA



RANJAN SINGH



VIJAY SHEKHAR DUBEY

Free workshop with SAROJ KUMAR हिन्दी & Eng. Medium

13th June, 2007 Geog. (Mains) 10.30 AM

14th June, 2007 Geog. (P.T.) 10.30 AM

15th June, 2007 G.S. (Mains) & Essay 10.30 AM

16th June, 2007 G.S. (P.T.) 10.30 AM

HIGHEST MARKS

G.S. Marks		Geog. Marks	Interview Marks	Essay Marks	History Marks
K.K. Nirala 360	M.K. Sharma 358	R. Kumari (Eng. Med.) 426	A. Kumar 240	A. Kumar 153	S. Yadav 365
P. Singh 338	D. Rawat 323	H.Meena 362 (Hindi Med.)	S. Aggarwal 226		

FOUNDATION COURSE WITH SAROJ KUMAR

Geog. (P.T.& Mains)/ G.S. (P.T. & Mains)/Essay & Interview Guidance Programme

- Postal Course for Geog. (P.T. & Mains), G.S. (P.T.& Mains) & Sociology (Mains) हिन्दी & Eng. Medium
- Test Series Programme throughout the year for Geog. (P.T.& Main) + G.S. (P.T. & Mains) & History (P.T. & Mains)
- Essay Guidance Programme + Comp. Hindi & English
- Mains Special Classes for Geog. (Main) & G.S. (Mains) = 1½ months
- P.C.S. Special classes for U.P., M.P., Chhatti., Jhar., Raj., Bihar, Uttran. etc.

Batch Starts :-

5th June, 20th June & 5th July 2007

Contact

**DR. VEENA SHARMA
SAROJ KUMAR'S IAS ERA**

1/9, Roop Nagar, G.T. Karnal Road, Near Shakti Nagar Red Light,
Above P.N.B., Delhi-110007 Ph.: 011-64154427 Mob.: 9910360051, 9910415305

YE - 6/7/04

IAS/PCS
2007-08

Specialized Institute of Sociology

Dharmendra's SOCIOLOGY

Final Selection IAS/PCS - 2005-06



Aarti S. Parihar
RANK 235 (U.P.S.C)



Ajai Singh
RANK 1 (UTT. P.C.S)



Manoj Sharma
RANK 121 (U.P.S.C)



Love Kumar
RANK 311 (U.P.S.C)



Kamla Devi Kol
(M.P. PCS)



Vijay S. Dubey
46th B.P.S.C



Birendra Kumar
(UTT. PCS)



Rakesh Kumar
UPPCS (H.D.O.)

Sangeeta Bhatt
(UTT. PCS)

Vikas Maheswari
(Chattisgarh PCS)

Richa Mishra
(M.P. PCS)

Manish Kr. Singh
(UTT. PCS)

Strategy

- ★ Start from basics.
- ★ Complete, updated and most advance study material and studies
(Available for Correspondence also)
- ★ Elaborate class discussions and debates.
- ★ Exhaustive writing practices.
- ★ Mark fetching techniques.

Class Start From

Monday 11th June 2007

Eng :- 09.00 A. M.

हिन्दी :- 05.00 P. M.

Addmission Open

25 May 2007



Dharmendra's SOCIOLOGY

ACADEMY FOR CIVIL SERVICES

302, Top Flr., A-12-13, Ansal Building, Mukherjee Nagar, Delhi-9.

Ph.: 65152590 Cell.: 9868355720



CIVILS INDIA
IAS STUDY CENTRE

ADMISSION NOTICE - 2007-08

Conscious of our **REPUTATION and TRACK RECORD**
we announce the following **COURSES (Eng/ Hindi)**

GEOGRAPHY by Prof. Majid Husain

"Over 46 yrs. teaching experience & among the most-read authors of the world."

WORKSHOP
4 & 5 JUNE

ADMISSION OPEN

Our Highest Marks:

Eng. Med.- 362, 357, 356, 349...

हिन्दी माध्यम- 377, 363, 355, 346...

GEOGRAPHY (Improvement Programme):
Without any Advertisement this course has become very popular via mouth of the beneficiaries. Presently 55 Students are in the course who have already taken classroom coaching from important Geography centres in India but fetching **BAD** marks (admission criteria) - **this testifies our quality! Our students need not go anywhere for improvement!**

GEN. STUDIES by Dr. Ramesh Singh

"Over 17 yrs. teaching experience."

WORKSHOP
15 & 30 JUNE

ECO. & POLITY STARTS
16TH JULY

Our Highest Marks:

G.S. - 356, 342, 340..., Essay-156, 146, 145..., Inter.-240, 220, 210.

PALI/पालि by Rituraj Singh

"Over 6 yrs. teaching experience."

WORKSHOP
7 & 14 JUNE

BATCHES: JUN, JUL, SEP, NOV, JAN, MAR [UPSC & BPSC separately].

Our Highest Marks: Eng. Med.- 346, 340, 338, 336... हिन्दी माध्यम-348, 342, 338, 332...

COMPULSORY by Satya Sahani

"Over 15 yrs. teaching experience."

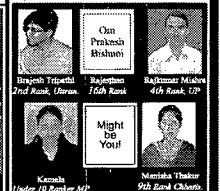
ENGLISH

Batch: Every Month

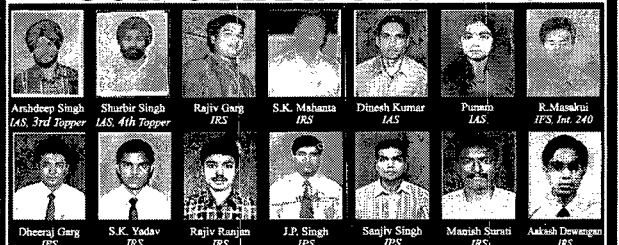
OUR IAS STOPPERS 2005



OUR PCS STOPPERS



OUR OTHER TOPPERS



Other Toppers: Pankaj Kr. Pandey, IAS, 43rd, 2004., Prithipal Singh, IPS, 2004., Diparva Lakra, IAS, 2004., Ramesh Kumar, IAS, 2004., Mayur Maheshwari, IAS, 6th Topper, 2003., Akhilesh Kr. Jha, IPS, 2003., R.K. Bhardwaj, IRS, 2003., Babulal Sonal, IRS, 2003., Hareshwar Prasad, IRS, 2002., J.P. Singh, IPS, 2001., Manish Surati, IRS, 2001., Ashish Kr. Sinha, ALLIED, 2001., Sanjeev Kr. Singh, IRS, 2000., Jayant Sinha, ALLIED, 2000., Sajay Kumar, IPS, 2000., Afok Kumar Das, IPS, 2000.

QUALITY IS OUR TRADE MARK

Essay * Interview * Postal Guidance * Test Series * Hostel Facilities

202A/12-13, ANSAL BUILDING, MUKHERJEE NAGAR, DELHI-9,

PH.: 27652921, 9818244224, 9810553368.

Now Delhi in Patna

Admission open...

IAS/PCS

सामान्य अध्ययन + इतिहास

By

MEDIUM : हिन्दी + ENGLISH

शैलेन्द्र सिंह

With Proven Capacity

Features:-

- व्याख्यान पर बल
- सम्पूर्ण पाठ्यक्रम के नोट्स
- Regular Test
- Regular Debate
- Answer Formating
- साक्षात्कार (Interview)

RENOWNED FOR ANALYTICAL APPROACH

New Batch : 1st week of every month

अन्य विषय : निबंध / साक्षात्कार

THE ZENITH

An Innovative Institute for I.A.S.

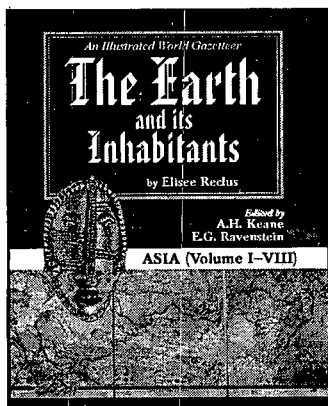
G-4, Chandrakanta Apartment, Opp. Bata, Pandui Kothi Lane, Boring Road, Patna-800001

Mob. : 9431052949 / 9835490233 E-mail : thezenithias@rediff.com

YE - 6/7/13

An Illustrated World Gazetteer

Logos



The Earth and its Inhabitants

by Elisee Reclus

Edited by A.H. Keane, E.G. Ravenstein

2007 81-7268-125-9 (In 8 Volumes) Rs. 12000 per set

Volume Details

Volume One

Asiatic Russia :
Caucasia, Aralo-Caspian
Basin

Volume Two

Asiatic Russia : Siberia

Volume Three

East Asia : Chinese Empire

Volume Four

East Asia : Korea and Japan

Volume Five

India and Indo-China

Volume Six

India and Indo-China

Volume Seven

South-Western Asia

Volume Eight

South-Western Asia

LOGOS PRESS

Building No. 4788-90, Street No. 23,
Ansari Road, Darya Ganj,
New Delhi-100 002 (India)

Ph. 23272187

YE - 6/7/03

Alternative Models

Avijit Pathak

IT IS sad that in the prevalent politico-intellectual climate no honest/authentic debate on reservation is taking place. It seems we are nervous, emotionally vulnerable and afraid of raising critical questions and entertaining ambiguities. In order to be politically correct, we are told, we must continue to legitimise reservation in its present form. This anti-dialogic culture has to be overcome, and we must be courageous enough to see the complexity regarding the present practice of reservation.

None would deny that the deeper meaning of reservations as intended by the makers of the Constitutions is to create a situation conducive to the growth of a democratic/egalitarian society that allows marginalised groups to share the fruits of development. In this context it is also important to recall that the ultimate objective of reservations is to move towards a society in which reservation itself becomes irrelevant. Because reservation, it was thought by its early adherents, is essentially a temporal measure. Or, to use metaphorical expression, it is like strong drug that enables a patient to come to

normalcy, and eventually live without medication.

Moreover, reservation, as has been reminded by many radicals, becomes meaningful only when other important measures are implemented with absolute seriousness-like land reform, poverty alleviation, employment generation, creation of resources and opportunities, distributive justice, and above all a sustained campaign against caste hierarchy and untouchability, a campaign for renovating our religious/cultural practices and a quest for a more inclusive rather than caste-based political formation.

However, the problem arises because there is a feeling that this deeper meaning of reservation is seldom understood. Instead, reservation alone seeks to hijack the agenda of social justice, negates alternative possibilities, and projects itself as a never ending process. There are three reasons for this apprehension. First, the prevalent practice of reservation fails to acknowledge that suffering material, existential and cultural-transcends caste barriers and there can be diverse and multiple reasons for this suffering: poverty, gender identity and regional location.

*We cannot fight
caste hierarchy by
perpetually
reclaiming our
identities as
“forward” or
“backward”*

In other words, if caste becomes the most dominant criterion in measuring the degree of one's backwardness and marginalisations, we look at the reality only partially. We fail to realise that in rapidly changing society like ours, the political economy of uneven development the scarcity of resources and resultant competition have caused diverse forms of disparity, and affected all sections of society.

Yes, caste oppression prevails but other forms of oppression have also emerged and not everyone from the so-called forward caste, it has to be realised, is in a position to subjugate and oppress others. Second, the rationale of reservations is fast becoming instrumental. In the absence of a serious engagement with a programme for radical restructuring of the political economy and our cultural/religious institutions reservation has become an easy option for the political class; it is like offering a consolation prize through which the rulers seek to hide their irresponsibility. And third the continual practice of reservation keeps reproducing the same identities which, paradoxically it is expected to transcend.

It is, of course, true that caste hierarchies prevail, but we cannot fight this ugly practice by perpetually reclaiming our identities as "forward" or "backward". This is vicious circle. Reservation in its present form indeed become dull and static; it requires serious interrogation.

Does it then mean that reservation has altogether lost its significance? Certainly not. We continue to live in a society characterised by diverse forms of inequality, hierarchy and exclusion, and reservation as a humane practice for fighting the brutality of the elitist doctrine the "survival of the fittest", has its positive functions. But then it is high time we realised that the present form of reservation needs serious change and amendments.

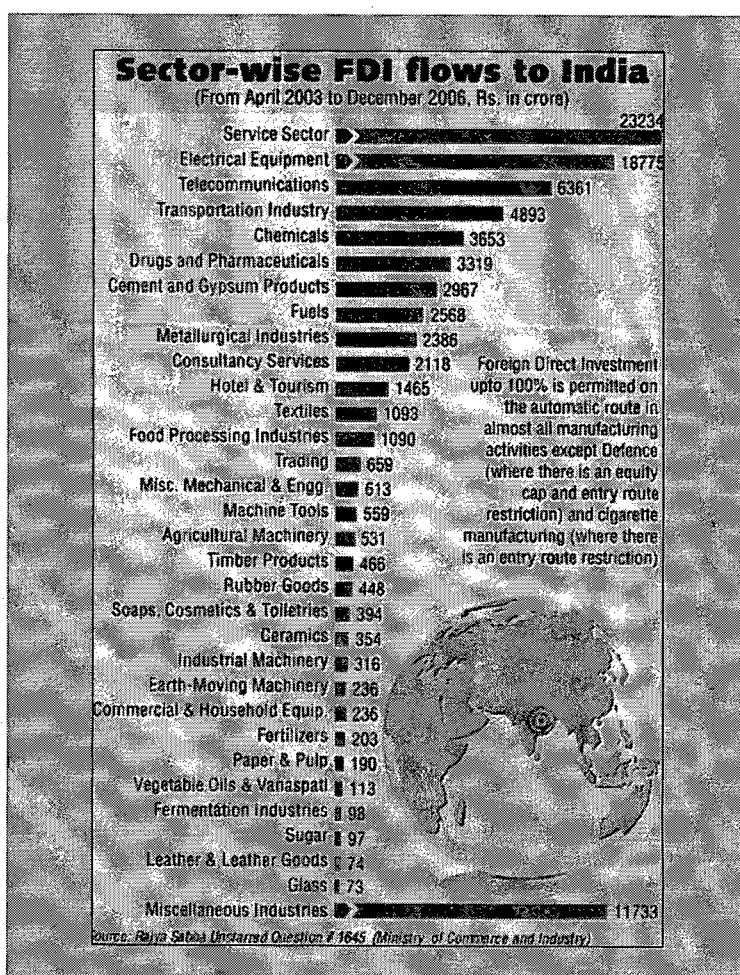
It is in this context that two proposals can be made. First, "backwardness" must be redefined. It is necessary to acknowledge other forms of backwardness: poverty, income, gender and regional disparity. Likewise, if a family gets the benefits of reservation for say three generations, it is absolutely important to remove it from the "backward" category. Because those who were once marginalised can now live without a stigmatised identity.

Second, it is also necessary to reduce the total percentage of reservation gradually and thoughtfully and instead intensify the process of remedial programmes-establishment of special centres at all levels for providing moral/intellectual/cultural support to those who need it. And for this the state

should not shy away from levying taxes from the rich/affluent, and well-established professional classes.

We should not, however, forget that what matters in the long run is an alternative developmental model that taps manpower, creates employment opportunity by cultivating local/indigenous, resources restructures the agrarian economy and rests on the principle of distributive justice. Moreover, it is important to learn from what Gandhi, Ambedkar and Marx taught in their own ways: how to arouse a zeal for an egalitarian and just society, cultivate moral conscience that makes one abandon one's caste identity, and inspire one to strive for a new political vocabulary promoting universalism rather than segmented identities. □

(Courtesy: The Deccan Herald)



SEZs : To be or not to be

Abhishikta Acharyya Roychowdhury

THE VERY idea of building Special Economic Zones (SEZs) is under furious debate. Industry at large believes that SEZ will be able to cater to three desirable ends for promoting industrialization – namely, reduction of taxation, reduction of transaction cost and improvement of infrastructure. Also the SEZ is looked upon as a means to achieve urbanization and in turn creating mini industrial areas, which will be able to reduce the pressure on traditional cities and rural disguised unemployment. To attract this critical level of investment in infrastructure creation the government incentive appears to be critically important and undoubtedly necessary. Also, manufacturing will have a boost in this way, which is critical in sustaining India's growth rate, which is now heavily dependent on services growth it is argued.

The criticism is that the incentives offered are excessive and inequitable, and will entail revenue losses. A closer examination shows that SEZ incentives are largely the same as those available to export-oriented units. The one exception is that SEZ units can

participate in trading activities. While, the loss of revenue on tax-incentives is apprehended from finance ministry, the argument that the additional investment growth and jobs will more than offset this loss seems to be reasonable.

Another common criticism against SEZ is that the government should change the overall policy and legal environment to promote economic activity, instead of creating islands free from regulatory obstacles. This is a valid point in principle. But in a vast and diverse democracy, changing the policy and legal environment for the whole country is easier said than done.

The ongoing resentment and violence over resistance over land acquisition for SEZ implies how sensitive is the issue of land acquisition. There should be definitely a guiding principle in acquiring the land.

The Land Acquisition Act of 1894 provides for payment of compensation at market value and also a solatium of 30 per cent of the market value to compensate for the compulsory nature of acquisition. However, the market price according to the archaic Act is determined as on the date of issue of

Industry should also take care of the most vulnerable issue of acquisition and rehabilitation to successfully implement its SEZ projects

notification for acquisition and it is generally based on the prices registered in the sub-registrar's office, which are often undervalued. Delays in acquisition process are another annoying factor and usually there is a long gap between the date of notification for acquisition and the actual date of taking over possession of land and payment of compensation; this can take as long as ten years or more.

National Policy for Resettlement and Rehabilitation of Project Affected Families- 2003(NPRR 2003) is in force since February 2004. It has the provisions of providing house site to the extent of house acquired, providing land for agricultural land acquired with payment of stamp duty and transportation cost, financial assistance for land development, training facility for rehabilitation etc with extra benefits for project affected Scheduled Tribe families.

- Equal amount of agricultural land for every acquired piece of agricultural land along with stamp duty and some financial assistance for developing the land is a good option.
- Only cash compensation is never enough to secure livelihood.
- The provisions of the National Rehabilitation Policy drafted by the *Ministry of Rural Development* are in no way appropriate to address all kinds of displacement and subtle differential impacts of displacement in each of the cases. The policy draws heavily from the existing rehabilitation policies for water resources PAFs of Gujarat, Orissa, Rajasthan, Maharashtra, MP and Karnataka and covers only development projects and leaves others. The policy privileges the displacement by dams and fails to address the issues arising out of other kinds of displacement-related cases.

There are several operational issues which need to be addressed. **What kind of land should be acquired for SEZs?**

The government's stated intention that mainly waste land and, if necessary, single crop agricultural land alone should be acquired is justified. Location-specific industries (port-based, for example) may sometimes require valuable agricultural land. The claim that loss of cultivable land will undermine food security is exaggerated as mere conversion of land for SEZ, would not reduce farm land in alarming quantity. It is understandable that with the decline in share of agriculture in GDP, greater industrialisation and shift of occupations are both necessary and inevitable. India cannot continue to be a largely agrarian economy if we harbour ambitions of rapid economic growth and global power status. However, multicrop land should never be acquired.

In this connection, each state government should make a land bank, which can be shown whenever an industry shows interest in investing in the state. Thus it will stop any hasty decision, which could result in gross agitation in the future. Though the Government has already announced that Government will not directly acquire land for SEZ, such land bank could be of great help for the investors for all practical purpose as it has been also indicated by the Government that the SEZ should be applied with land in hand, which becomes difficult without the undisputed land bank.

Few things should be strictly followed in the connection.

- The land should be preferably in a wasteland or at most in a single crop land where it is unavoidable to take a farmland and in no way it should encroach a multi-cropped land.
- The land locked in closed units can be included in the land bank after

resolving the legal battles over it and paying the stakeholders from the revenue generated from the sale of plant and equipment.

- Secondly the land should be well connected. State should take initiative in providing basic roads etc.
- The SEZ land should not be located in too close proximity of urban center as it may pressurize the urban centers which is already very concentrated in India and also it should not upset the land usage pattern.

Should land for SEZs be bought on market principles or acquired by compulsion through state power? The land acquisition law and past precedents do permit the state to acquire land for a company for a 'public purpose', and industrial growth does qualify as such. It is always preferable to encourage private purchase through market mechanisms including negotiations and bidding. In view of the recent uproars and skepticism on state land acquisition, it is rather imperative that the private investors handle the issue professionally rather than involving state. But, the price should be fixed through negotiations rather than depending on earlier registered sales deeds (declared sale prices are often undervalued). But, here again, the acquisition should take place in peaceful democratic way of cajoling and in no way it should take the path of violence. It should be kept in mind that if the stakeholders are not convinced and transparency is not maintained then the cumulative grievance may jeopardize the whole effort. In fact in Karnataka this type of land acquisition is taking place as farmers are happily imparting their land as they are getting exorbitant price for their land, the money they could not imagine through cultivation.

A Study of Different Models

China Model

It is often argued that Indian SEZs will not be able to reap scale benefit as these are many and small in size. India has built SEZ in following Chinese SEZ model which has resulted in huge manufacturing boom and export led activity but it is argued that Chinese SEZs are much larger in size. The top three SEZs in China cover 326 square kilometers in Shenzhen, 132 square kilometers in Xiamen and 122 square kilometers in Zhuhai, compared with 119 square kilometers for RIL's project near Mumbai, which is India's largest SEZ proposed so far and 98 square kilometers for the Haryana SEZ. India stipulates the minimum area for multi-product SEZ is 1000 hectares, while multi-service and specific sector SEZ it is 100 hectares, and for SEZ for IT, biotech, non-conventional energy or gems and jewellery it is only 10 acres. In India acquiring big plot of land for SEZs like China seems unattainable.

Last year, in an interview, steel

baron Lakshmi Mittal's scion Aditya Mittal narrated his company's contrasting experience of doing business in India and China. "India being a democracy," he said, "setting up operations can be difficult. You negotiate with different levels of government. You negotiate with tribal people. It can take two or three years." In contrast, he recalled his visit to a plant site in China. A party secretary had accorded him the "red-carpet treatment", even giving Mittal's car exclusive access to a highway that hadn't yet been inaugurated. "Then I get to the plant site, but I don't see any land. I see houses, lots of houses — a village. And I say, 'Where's the land?' And the party secretary says, 'Right here. In 90 days, everyone will be gone.'"

To put it bluntly, China's policy on land acquisition for developmental projects is, in large part, a story of illegal and unjust land appropriation by local-level officials leveraging the might of the state and the powerlessness of

rural peasants. It is a blot on China's otherwise stupendous model of economic growth. In 2005, for instance, China witnessed over 87,000 "mass incidents," many of them over illegal land seizures. But this is one sphere where the China 'model' won't and should not work in India, given the contrasting socio-political framework in the countries.

The case of Indonesia

The new land acquisition regulation sets out clear and transparent steps for the acquisition of land and will allow the government to acquire land at a rate determined by the taxable value of the land, rather than the market price. As a last resort, the government has the right to revoke the property rights of landowners who refuse to sell. However, this clause can be evoked only after all other avenues of negotiations have been exhausted, and the decision must be taken by the President based on a recommendation from the National Land Agency (BPN). □

How do we ensure that land losers have stakes in SEZs? The government in its new National Re-Settlement and Rehabilitation Policy is likely to introduce a clause which would allow farmers to have a stake in the development that comes up on their land. With the huge real estate boom, even 10-20% of the land would fetch the owner multiple returns relative to the original compensation. Mere 'compensation' at current market prices is insufficient as the asset value could appreciate significantly and Land losers suffer the heartburn of relative deprivation.

One elegant and equitable solution would be to treat part of the land as equity in the project. In addition to the normal compensation, the land owner could have right of owning a part of the

developed land in the SEZ. This could be about 10% in industrial projects, and 20% in infrastructure projects. With the huge real estate boom, even 10-20% of the land would fetch the owner multiple returns relative to the original compensation. Such equity stakes will make SEZs attractive to the land losers. Another justified model is the already existed scheme of giving land in other place in equal amount of acquired land, although the farmers would resist taking alternative land also as has been in case of Reliance, but land with good compensation for relocation should be effective.

Displaced people need to be imparted with skills that could have them absorbed in these SEZ projects. There exist successful precedents. In 1985-86, a massive project was

undertaken to train 8,000 youngsters from the displaced families of the Visakhapatnam Steel Project, and all of them are now productively employed. It took some effort, of course. A national programme of training unemployed youth in India is overdue in any case, and SEZs should be the starting point. Once SEZs provide local employment, much of the resistance will disappear. The SEZ should have clear and transparent policy of giving preference to displaced people in any job generated there if they meet the minimum skill requirement thus encouraging a positive discrimination over outsiders.

However, a socio-economic survey and discussion with local people is necessary to work out the suitable income generating schemes. The Tata

Motor company in Singur offered several training programme organized by NIIT and West Bengal Industrial Development Corporation (WBIDC) like polytechnic training, computer training, catering training course, sewing etc. These programmes can reduce resentment if those can be agreed upon and the stakeholders can get group finance facilities after training completion to be gainfully employed.

Fifth, the compensation for land acquisition should accrue to all the stakeholders. It involves not only land price to the owner, but it should also secure the future of the sharecroppers who earn their livelihood on that land. The displaced bargadars should get priority in getting the jobs of unskilled labourers and should undergo various skill development programmes

subsequently. Also, they should get shop space at discounted rate in the SEZ developed in the land. Government should command the banks for loans to the sharecroppers for giving shops etc may be through some micro-finance schemes via NGOs.

In states like West Bengal where so many people depend on a small plot of land, it might seem unviable to compensate all the stakeholders for the piece of land. The state governments may kind of subsidise the stakeholders in terms of training etc. so that the companies do not have to take the whole economic burden. It can be effective in promoting industrialization in backward regions.

Sixth, the grievance against land acquisition can be subdued if the

compensation can be paid speedily braking the myth of getting payment after years. The acquisition process must be speeded up by adopting innovative methods such as negotiation, land pooling, giving the landowner a share of the developed land after acquisition, etc. Some of these methods are already in use in some states such as Gujarat and Karnataka.

Seventhly, a balanced dispute settlement committee need to be set up for expediting the payment of compensation and sorting out grievances.

State Policies

There are indications that the previous draft policies in 1985, 1993 and 1994 formulated by the centre and other state policies and Acts, except the

Orissa Resettlement and Rehabilitation Policy, 2006: Some interesting points

- A socio-cultural, resource mapping and infrastructural survey shall be conducted by an independent agency to be identified by the Government to ensure proper benchmarking.
- Gram Sabha or Panchayats at the appropriate level shall be consulted in scheduled areas before initiating Land Acquisition Proposal.
- An identity card shall be issued to each displaced family in a manner prescribed by Government.
- Site for the resettlement habitat shall be selected by the RPDAC Rehabilitation & Periphery Development Advisory Committee) in consultation with the displaced families.
- District Administration and Project Authorities shall be jointly responsible for ensuring that the benefits of R & R reach the target beneficiaries in a time bound manner.
- preference in the matter of employment, both direct and indirect as well as through contractors employed by them, for execution, operation and maintenance of the project, to local persons
- In case of nominees of displaced/ other families eligible for employment otherwise, the upper age limit shall be relaxed by five years.
- Project Authorities should notify their employment capacity sufficiently in advance.
- Training for Self-employment
- At the option of the displaced family and, subject to the provisions of relevant law(s) in force for the time being, the project authority may issue Convertible Preference Share(s) or Secured Bond(s) up to a maximum of 50% out of one time cash assistance
- The order of preference for employment will be as follows:
 - (i) Displaced families losing all land including homestead land,
 - (ii) Displaced families losing more than 2/3rd of agricultural land and homestead land,
 - (iii) Displaced families losing more than 1/3rd of agricultural land and homestead land,
 - (iv) Displaced families losing only homestead land but not agricultural land
 - (v) Families losing all agricultural land but not homestead land.
- Category (i) gets compensation of Rs. 5 lakhs, category (ii) gets compensation of Rs. 3 lakhs, category (iii) gets 2 lakhs and category (iv) and (v) gets 1 lakhs respectively.
- It promises three different packages for those displaced by industrial and mining projects, irrigation and forest projects, and linear projects such as highways.
- The Project Authorities shall be responsible for periphery development as decided by the RPDAC within the guidelines issued from time to time by the State Government. □

one by Maharashtra, were prepared only under pressure of World Bank. This is not a hidden agenda. In 1999, a loan given by the Asian Development Bank to the Madhya Pradesh government in order to enable private sector takeover of public infrastructure required that the state government first frame a rehabilitation policy.

Even though projects like NTPC and CIL (Coal India Limited) did allot land for houses for PAFs around its own township. Many a time tribals refused to settle themselves there.

Conclusion

Analysing the pros and cons of above models for Resettlement and rehabilitation, it appears that land for land can be an effective and justified mode of resettlement, provided compensation for developing the new land is made available. For that a land bank should be set up after taking the stock of present barren and infertile land in the states and the land available under the sick units and closed factories. In no circumstances, a very fertile land should be acquired as that will dampen the growth and productivity of agriculture which is dangerous for any economy as that will endanger food security.

For any rehabilitation package of self-employment a socio-economic survey is very important to assess the skill and aptitude level of the local inhabitants for determining their training need and extending financial assistance under different schemes. All displaced stakeholders of the land should be taken care of under the R & R scheme. An effective monitoring and dispute settlement mechanism is needed to ensure that the displaced people get preference in jobs if they have the necessary skill or they can attain that after undergoing the training designated for them. In the line of Orissa Model of rehabilitation an identity card may be issued to the affected people so that they can get job preference in terms of relaxation of age limit or otherwise. A monitoring committee for resettlement can be set up taking representatives from senior executive of HRD of the company, a representative of the oustees, representatives from state government and local bodies, representatives from the industry associations.

In case of cash compensation instead of land or job, it should be ensured that the compensation amount has a premium over and above the market price for the future value of the land or the owners may

have a share of the developed land. Government should play the role of facilitator and should not be involved in acquiring land as far as possible. Rather Government can give deliverable assurance of developing connectivity in case an SEZ is set up in a backward infertile area. The rehabilitation policy should prevent social disintegration, should be extremely careful to protect human rights and it should be sensitive towards vulnerability of women and children. Also the resettlement and rehabilitation policy should ensure to provide the community services like school, medical facilities etc.

SEZ is a means to achieve growth and employment, which Industry is eager to utilize effectively. But, Government should formulate the R & R policy keeping in mind that any sort of political and social unrest due to land acquisition runs counter the very interest of industrialization and that is not sustainable either. Industry should also take care of the most vulnerable issue of acquisition and rehabilitation to successfully implement its SEZ projects.

(Email: abhishikta.chowdhury@ciionline.org)

The Reliance Package in Maharashtra

The Reliance group-promoted Mumbai Special Economic Zone (MSEZ) has announced its Relief and Rehabilitation (R&R) package for project-affected persons (PAPs) in the Raigad district. Maharashtra Government is undertaking the land acquisition. The PAPs would be given 12.5 per cent developed land, a compensation at market rates for their lands, assurance of job after successful completion of training, two years' sustenance payment for landless labourers and an upgradation of the village

infrastructure by the company spending around Rs. 90 crore. On their own they have already bought more than 1,000 hectares under the 'consent route' at ten times the prescribed 'Ready Reckoner' rate (Government prescribed rate).

The monetary compensation option (in lieu of the 12.5 per cent scheme) offers the land holder Rs 5 lakh per acre of land originally sold as one-time payment or a lifetime monthly payment of Rs. 5,000. The MSEZ is also willing to buy land under paddy at Rs. 10 lakh per acre and varkas (unproductive) land at Rs. 5 lakh per acre. A landowner may

additionally opt for employment of one nominated family member and this arrangement too has two options.

Under the first option, free technical and vocational training would be imparted to the nominee and a sustenance allowance at minimum agricultural wages would be paid to the family. Once training is completed, employment with a monthly income range of Rs. 4,000-5,000 is assured. Under the second option, the MSEZ will pay a one-time payment of Rs. 3 lakh per PAP if training and employment is not opted for. □

An Enabling Step

Lizzy Neiger

THIS IS Raghavendra. From a humble background he was born in Kodihally. He got polio when he was 6 months old and lost both his legs. Till now he cannot walk like a normal person. His education started at Kodihally (Hoskote taluk, Bangalore District) upto primary school and finished his high school level at Doddagattiganabbe, which is about 4 km away from his village. When he was studying in high school, he faced problems of travelling, as in those days there was no travel facility to go to school. He used to go to school if any one of his mates wished to take him to school on their cycle.

In his college days again, he was the only one from his area attending college there was no one to help him travel. But he didn't lose confidence, he decided to go to college at Sarjapura. His grandmother helped him study. He finished his college level from Sardar Vallabha Bhai Patel College at Sarjapura (Anekal).

With a desire for higher education and despite all adversities he did his Post graduation from Bangalore University.

After his Post graduation he didn't get any job, because of disability, even when there was a vacancy. Nobody was ready to give him an opportunity to work.

To his rescue came Vindhya e-Infomedia who provided him a job in 2006. Vindhya e-Infomedia is not just another data entry and processing service providers. What sets them apart is that their employees are differently abled which includes ortho handicaps and the deaf and mutes.

Brainchild of Ashok D Giri and his wife Y S Pavithra, Vindhya e-Infomedia was started nine months ago in the Bangalore city exclusively for the physically challenged. The couple hopes their efforts in employing them would better the lives of the physically challenged who are deprived of well paid jobs in the mainstream society. Most of them are from a very poor background.

Their company is a Private Limited firm and does not fall in the category of NGO or trust that receive funds or donations. Their aim is to work and earn their money. This message is loud and clear in their firm and to every

What sets them apart is that their employees are differently-abled which includes ortho handicaps and the deaf and mutes

The author is working with a Bangalore-based NGO.

employee who works for them. Self confidence of any person is at its peak and can be witnessed here.

There's no special skill or training required to get a job with Vindhya e-Infomedia. Prospective job seekers must have basic knowledge of computers, typing and a good command over English. They undergo training where they are familiarized with the nature of work.

Vindhya e-Infomedia specializes in document management system, data entry and processing, data conversion, scanning and form processing. Their services also extend to data, document and image processing to include extracting data off the internet and entering it into an excel spreadsheet or editing and tagging digital photos.

All of this processing and accuracy

checking is done by the physically challenged. They are more than willing and eager to work, to learn and definitely more efficient than an ordinary person.

When the rest of the world is dreaming of Information Technology why is that these people be denied of this opportunity. They also can dream of being in IT and find success is what is the *mantra* of Vindhya.

The atmosphere in the company is such that there is no room for sympathy which is generally associated with the physically challenged people. This makes these people face the competition of the external world with confidence when they move on in their life.

Vindhya strives to groom their employees to meet the challenges of a competent work *milieu* outside their

company. They hope to place their employees in bigger and more well established firms in a year or two. By then Vindhya feels that their employees would have received enough training and gained confidence to move on to better jobs and gain better experience and also can look at helping many more physically challenged people themselves as they will move into better positions over a period of time.

Vindhya Info has plans to start two other branches in Bangalore to begin with and later, spread branches across the state.

It is keen to extend its philosophy and opportunity, to similar aspiring physically challenged, by setting up Institutions closer to their reach to explore talents to become self-reliant, in all aspects. □

Bengal District Gazetteers Bihar & Orissa District Gazetteers

- ★ Santal Parganas/ L.S.S. O'Malley
1999 81-7268-021-X XIII+298pp. Rs. 250
- ★ Darjeeling/ L.S.S. O'Malley
1999 81-7268-018-X XIV+231pp. Rs. 200
- ★ Hooghly/ L.S.S. O'Malley and
Manmohan Chakravarti
1985 81-7022-019-8 XII+330pp. Rs. 150
- ★ Burdwan/ J.C.K. Paterson
1985 81-7022-017-1 XIII+215pp. Rs. 150
- ★ Howrah/ L.S.S. O'Malley and
Manmohan Chakravarti
1985 81-7022-020-1 XII+189pp. Rs. 150
- ★ Gaya/ L.S.S. O'Malley
2007 81-7268-137-2 XIV+251pp. Rs. 500
- ★ Sambalpur/ L.S.S. O'Malley
2007 81-7268-139-9 XIV+232pp. Rs. 500
- ★ Puri/ L.S.S. O'Malley
2007 81-7268-138-0 XIV+311pp. Rs. 600

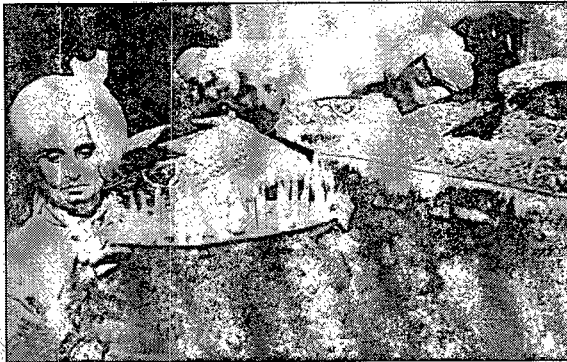
- * PATNA/ L.S.S. O'Malley
Revised Edition/ J.F.W. James
2006 81-7268-121-6 Rs. 750
- * SHAHABAD/ L.S.S. O'Malley
Revised Edition/ J.F.W. James
2006 81-7268-122-4 Rs. 650
- * SARAN/ L.S.S. O'Malley
Revised Edition/ A.P. Middleton
2007 81-7268-136-4 Rs. 750
- * MONGHYR/ L.S.S. O'Malley
2007 81-7268-135-6 Rs. 750

LOGOS PRESS

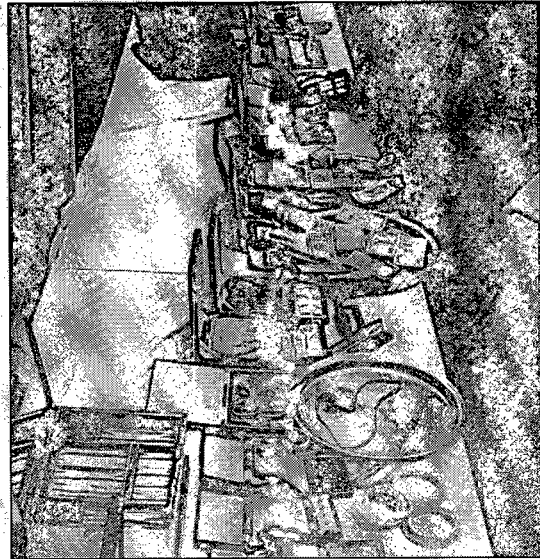
Building No. 4788-90, Street No. 23,
Ansari Road, Darya Ganj,
New Delhi-100 002 (India)

Ph. 23272187

Can't Weddings Be MORE SERENE AND LESS SHOWY ?



Extravagant weddings are a vestige of our tribal ways. As long as the large majority are very poor, the very rich insist on dazzling them with a show of their wealth. It is likely that as the country as a whole grows richer, conspicuous spending on feasts, banquets, weddings and funerals will lessen. The liveried bearers do not fit in with the times



This is not a jeweller's shop but a display of the presents received at an aristocratic wedding. A few jewels well chosen will of course set off a woman's beauty, and—a more practical thought—from insurance against the rainy day. But all money tied down in ornaments is so much wealth denied to the nation, so much of possible investment withheld from production of goods for development



The bejewelled hand and foot of the bride are decorated with more than silver, gold and precious stones. They are painted over with auspicious 'mehndi'—and the whole world knows that more gold does not make a happier marriage



In several regions and among many communities of India, the parents of the bride and bride-groom pay a token bride money or groom money. There is nothing wrong in it, as long as it is only a token and not a real purchase!

Have things changed since then !

Stem Cells

Aurnab Ghose
Palash Bhattacharya

OVER THE past decade or so we have seen a tremendous surge of information on stem cells in scientific literature. On the one hand there is an understandable excitement about the promise that these enigmatic cells hold of a major revolution in biomedical sciences. On the other hand there are serious ethical concerns regarding the source from which they are obtained and also about their possible misuse. In Europe and US, public opinion is playing a major role in shaping policies regarding research and use of stem cells. However, the issues surrounding the use of stem cells are complex and far from clear.

Certain organisms have a fascinating capacity to regenerate tissues and body parts. The organism *Planaria*, for example, when chopped into pieces, can grow back to a whole. The ability of salamanders to regenerate their tails is well studied. This phenomenon is more common among invertebrates however, and higher organisms are generally incapable of organ regeneration. Human beings have a very limited capacity of tissue repair, confined chiefly to wound healing. The first line of treatment for major tissue loss therefore, was by

using synthetic substances. Starting with artificial limb prosthetics, a wide array of medicinal implants is used nowadays for advanced care patients. These include artificial teeth, joint replacements, cardiovascular stents, synthetic heart valves and more. The next stage was the use of biological materials from skin grafting to liver and bone marrow transplants. While the use of synthetic products is limited to particular cases, transplantation medicine is severely challenged by the rejection of the transplant or graft by the host's immune system.

The need therefore, was to find a biological material capable of tissue regeneration without invoking immune rejection. Stem cells are emerging as the most promising candidates for this new medicine.

The human body is assumed to be composed of three basic categories of cells: somatic cells, germ cells and stem cells. The bulk of the organism, including all the organs that make up a human adult are made up of somatic cells. Somatic cells are already specialized, they can only give rise to similar cells. Skin cells can only make skin cells and not liver or heart cells, for

A cogent policy is absolutely critical to maintain the quality of clinical research and also to protect the rights of all participants and those of the embryo

The authors are Postdoctoral Fellows, Harvard Medical School, and University of Illinois Chicago, USA, respectively.

example. They can only divide a finite number of times after which they become senescent and die. The theoretical limit for the number of times a specialized cell can divide is called the Hayflick Limit and is around 50 population doublings.

The germ cells are cells that give rise to the gametes, sperms and eggs. The fusion of the male and female gametes forms the zygote. The zygote has the capacity to generate all cell types including the entire foetus, a unique characteristic called developmental "totipotency". Though the zygote is placed at the top of the stem cell hierarchy, these cells cannot self-renew and are therefore not strictly considered as stem cells.

Stem cells are defined as cells that can (a) divide infinitely in culture, and (b) have the potential to produce other mature specialized cells. So, when a stem cell divides, the daughters could be maintained as stem cells by self renewal or be differentiated to produce specialized cell types. Stem cells are theoretically considered to have a capacity for infinite divisions. Some human embryonic stem cells are known to have gone through 300 divisions, far exceeding the Hayflick limit. Stem cells can be totipotent, pluripotent (capability of producing the cell types of all three germ layers of the organism, ectoderm, mesoderm and endoderm, but not the whole organism) and multipotent (capability of producing a limited range of cell lineages).

In 1981, the first identification and isolation of embryonic stem cell (ES cells) from mice was reported. ES cells have been consequently derived from primates and humans. These cells are derived from the inner cell mass (ICM) of mammalian embryos from the blastocyst stage. In labs they are subcultured over feeder cell (usually mouse or human embryonic fibroblasts) to establish what

are called ES cell lines. They are pluripotent and hence a potential source for any given cell type. Studies have shown that ES cells can be used to generate neural cell types, cardiac cell types, osteoblasts, hepatocytes and haematopoietic progenitor cells. This implies that these cells could be possibly used in future to regenerate damaged tissues of the nervous system, heart, bones, liver and blood justifying the tremendous potential of this line of work. Additionally, the necessity of culturing these cells over mouse feeders is a problem to be dealt with as it can cause immune reaction in the recipient during transplant.

Foetal stem cells are stem cells in the foetus which later develop into the various organs. There seems to be some advantage in the use of Foetal stem cells over ES cells. For example the umbilical cord is a source of foetal haematopoietic cells and thus seems to provide a source free from ethical considerations. However, research on Foetal stem cells is still premature to tell us if they have the potential of the ES cells.

Currently a lot of interest has focused on the adult stem cells (or somatic stem cells) which have been found in many tissues and organs. The best known example is the haematopoietic stem cell (HSC) which is the precursor of all blood cell types. HSCs have been known and used for the last 40 years in clinical settings for various diseases of the blood.

Although adult stem cells are multipotent, they are not believed to be able to cross lineages. This implies that the haematopoietic progenitor can produce cells of the blood while the skin progenitor produces cells of the skin. But are there pluripotent adult stem cells too? Recently, researchers have observed in animal studies that haematopoietic stem cell appear to be able to form other kinds of cells, such as muscle, blood vessels, and bone.

This newly discovered plasticity of adult stem cells is now being called "transdifferentiation" and seems to contradict the established notion of strict cell lineage commitment in development. If such cell so exist, it will be a major breakthrough in the field of stem cell research as it will circumvent the necessity of using ES cells, whose use still remains ethically controversial.

Therapeutic Potential

Stem cells have their greatest potential in transplantation biology and cell-replacement therapies in a host of diseases like diabetes, cardiovascular diseases, neurodegenerative diseases, joint replacements, etc. Heart transplants have been done from 1967, but the acute shortage of donors makes it available for only a small percentage of those who need it. The stem cell approach will try to use expansion of stem or progenitor cells, which will be transplanted back into patients to restore damaged tissue. Bone marrow transplants have been used for quite sometime like this to treat blood disorders. As an example, in one study, children with *osteogenesis imperfecta* were treated with allogenic transplants of mesenchymal stem cells from healthy individuals which resulted in an improvement of their condition. Apart from therapeutics, stem cells also hold the promise for a lot of scientific knowledge, about developmental biology and organ development, about virtually all genetic diseases, about toxicological effects of new drugs, about cancer (with the recent insights on the cancer stem cell) and many other areas.

Ethical Concerns

While the therapeutic promise of stem cells has made it the cynosure of public, commercial and media attention, the technology itself has ventured into uncharted ethical and moral territories.

Although advances in adult stem cells have been reported, embryonic

stem cells still remain the most promising category. There are, potentially, four major sources of embryonic stem cells. Each is fraught with its characteristic ethical concerns. The first source is the surplus embryos available from in vitro fertilization (IVF) laboratories. The debate has centered on whether the early embryo, being genetically human, should be considered a potential *person* and be accorded full respect and protection or, whether the lack of consciousness and self-awareness of the embryo precludes it from any independent ethical status.

Proponents of ES cell research have argued that as surplus embryos are destined for destruction, their use in generation of stem cells has a utilitarian logic. This rationale, however, does not apply to the second source, creating embryos by uniting donated eggs and sperm, specifically for the purpose of deriving stem cells. The debate over the ethical status of embryos is also applicable here with the added dilemma of custom making embryos explicitly to produce stem cells and thereby, perhaps, compromising human dignity.

A third potential source is tissue derived from aborted fetuses. For many, the use of this source is tantamount to endorsing abortion and this invokes the consternation of certain religious groups. So much so, that the recent veto of the stem cell bill in the US by President Bush is believed to have been largely influenced by this issue. In India, as the practice of female foeticide is a pre-existing concern there are further fears that trade in aborted fetuses could aggravate the situation.

Finally, somatic cell nuclear transfer (SCNT) is a potential source of generating embryos circumventing the need for fertilizing the egg with a sperm. The technique involves replacing the genetic material of the

donated egg with that of a somatic cell. In this case the technique itself conjures up spectres of human reproductive cloning, an extremely volatile issue with little consensus world wide.

A related concern is regarding the proprietary rights over donated biological material. For example, it is possible that material derived from donated tissue is later commercialized. It remains unclear what rights or ethical considerations the donor may have over the future use of the material. Similarly, it is feasible that the donation of genetic material (contained in the egg, sperm, foetal tissue, etc.) can be used to compromise the privacy of the donor. Cases of incorporating genetic data, without permission, in public and commercial DNA databases have occurred and obviously warrant vigilance. Safeguards from such concerns also need to be incorporated in the stem cell debate.

Some analysts have forecasted a \$ 10 billion dollar market for stem cell industries by the year 2010. A cogent and enforceable government policy is absolutely critical to not only maintain the scientific quality of basic and clinical research but also to protect the rights of all participants and those of the embryo.

In absence of any such guidelines a number of reports on stem cell usage has bewildered the concerned public. A not-for-profit, privately owned eye clinic at Hyderabad has reported regular use of stem cells to treat corneal injuries from as early as 2001. A private infertility clinic in Delhi has recently claimed to have used stem cells to treat 100 individuals for cardiac, nervous and immune conditions. Strikingly, the very same organization had been denied funding from the Indian Council for Medical Research (ICMR) earlier to carry out similar research and its present claims clearly go against the draft proposal for guidelines that has been prepared jointly by the ICMR and

the Department of Biotechnology (DBT). Claims of successful use of stem cells in patients are not limited to private and commercial institutions. Last year, the director of the premier government medical institution, AIIMS, claimed to have treated 35 cardiac patients with bone marrow derived stem cells. None of these studies had the approval or oversight, scientific or ethical, of the ICMR or any other neutral, expert body and nor have been published in any peer-reviewed journal. Bizarrely, the ICMR itself got embroiled in controversy when it allowed one of its Mumbai based institutes to use stem cell therapy to treat four patients suffering from aplastic anaemia one of whom subsequently died. Apart from stem cell policy issues, this study, using a new and unproved technique developed by a British corporation, also violated national ethical guidelines on clinical trials. The government has long maintained a policy of excluding experimental treatments developed outside India from clinical trials if no parallel trials are being held in other countries. None such studies were being carried out elsewhere and the disease itself is not very common in India.

Late last year, following growing public and scientific concerns, the government stated that it did not approve of treatment involving stem cells until a legal policy is in place. As of 2005, the ICMR and DBT have jointly prepared a draft proposal that has been presented in the public domain to encourage examination and debate. It is expected to be formalized by the end of 2006. The success of these guidelines depends on ensuring a statutory enforcement policy. It is clearly time that the government adopt an unequivocal statute regulating and overseeing stem cell research to address the scientific, ethical and commercial uncertainties of stem cell research and ensure the potential benefits of this new science is fully realized. □

Coal Reserves

M Satyamurty

COAL MINES in the country were nationalised in two phases, coking coal mines in 1971 and then all mines in 1973 consequently prohibiting entry of private companies in coal mining. Nationalisation led to formation of Coal India Limited with one subsidiary company dedicated to mine planning and design and many coal producing subsidiary companies. Coal deposits in India occur mostly in thick seams and at shallow depths. The subsidiary company made responsible for planning and design gave direction for systematic development as it was necessary for maximum exploitation of resources. The aspect of conservation for ensuring maximum recovery was taken into account during mine planning itself.

After nationalisation, the prevailing legislations for conservation and development, namely, Coal Mines (Conservation, Safety & Development) Act, 1952 and Coal Mines (Conservation & Safety) Rule, 1954 were repealed as their efficacy in containing haphazard mining activities was debatable. Rat-hole mining or

slaughter mining had become rampant. In fact, unsympathetic development and unsafe mining leading to loss of valuable mineral was one of the main reasons for nationalisation of collieries. Infamous fire of Jharia coalfield is one such burning example of haphazard mining.

Although new legislations were put in place of repealed ones during 1974-75, the strength of monolith Coal India Limited grew up significantly and eclipsed their provisions. Coal Controller Organisation (CCO) in the Ministry of Coal was made responsible for enforcing the Coal Mines (Conservation & Development) Act, 1974 and Coal Mines (Conservation & Development) Rules, 1975. Among various provisions of CCDA and Rule, only those related to collection of excise duty and disbursement of fund for specified purposes are enforced by CCO. This organisation, with skeletal staff strength since last many years, is barely able to publish data on coal production, dispatch etc. on annual basis.

Two exceptions to the nationalisation policy were introduced in 1976, by an

A thorough review of mining technologies may help in evolving suitable methods for maximizing recovery

amendment to the Coal Mines (Nationalisation) Act, 1973 which permitted coal mining for captive purposes by private companies engaged in production of iron and steel and; allowed grant of sub-leases for coal mining to private parties in isolated small pockets not amenable to economic development and not requiring rail transport. Further, considering the need to augment thermal power generation and to create additional thermal power capacity during the VIII Plan period, the Government decided to allow private participation in the power sector and the above nationalisation Act was again amended twice to allow private participation in coal mining for captive consumption in generation of power and production of cement.

At present there are 562 coal mines and 6 lignite mines in the country producing nearly 400 million tonnes. Only 9 coal mines and one lignite mine are in the private sector and rest is under public sector. However a large number of private small mines producing coal in Meghalaya are not included. Out of the 148 blocks identified for allotment for captive mining, 89 coal blocks have so far been allocated/decided for allocation to different companies for developing captive coal mines. Most of these companies are under the private sector. Four private captive coal mines have already started producing coal and many others are in pipeline.

Mining may not be the area of core competency for different private or public companies entering in captive coal mining. Most of them are either contracting or entering into partnership with those having expertise in this area. Extended captive mining policy of the Ministry of Coal has permitted partnerships of that kind. In order to get the fuel at the least price, operators of

captive mines are likely to indulge in all sorts of shortcuts. Dumping of thin bands of coal alongwith waste material would be less painful pinch than increasing the cost to recover the same.

Coal India Ltd has now stated outsourcing of mining operation in a big way. Successful experiments with outsourcing of coal loading in the quarry and transporting out of the quarry have made coal companies bolder. The current trend of outsourcing has included most of the operations connected with coal production in opencast mines such as overburden removal, drilling, blasting, machine maintenance etc. Large projects based on varied levels of outsourcing have been sanctioned by the government in recent times. This implies presence of multiple private operators in the mine on commercial terms. In such situation, it is expected that the concern for resource conservation or maximum exploitation of in-situ reserves would go on the back burner.

Coal mining in Meghalaya, in the name of traditional right of local community, is also resulting into mushroom growth of unsystematic mines. Valuable resources are thus getting sterilised. Though the regional geology of North-East does not favour large coal mining projects, scientific development of the area is necessary.

Present Legislations

Most of the coalfields in the country contain large number of coal seams with varying thicknesses. Presence of few thin coal seams in the vicinity of thick seams are often witnessed. Techno-economic evaluation of extracting thin seams and thick seams separately may sometimes suggest leaving of thin seams and removing them alongwith waste material, whereas national interest

would demand spending extra money for the sake of recovering these precious non-renewable resources. Sporadic instances of sterilization of resources by dumping of overburden over coal bearing area and shifting of quarry floor from lowermost thin seam to the floor of next thicker seam could be found in mines of Coal India Ltd. Existing legislations, however, provide for some safeguard against it but the success is blurred due to absence of suitable mechanism for ascertaining the compliances.

Mines and Minerals (Development & Regulation) Act, 1957 (MMDRA) provides for regulation of mines and the development of minerals by the Central Government. For this purpose: Mineral Concession Rules, 1960 (MCR) dealing with leasing procedures and Mineral Conservation and Development Rules, 1988 (MCDR) laying down guidelines for ensuring mining on a scientific basis while conserving the resources and environment were instituted. MCDR was not made applicable for 'Coal' as coal mines came under the purview of Coal Mines (Conservation & Development) Act, 1974 (28 of 1974) (CCDA) and the rules framed thereunder. In addition to the provisions of MMDRA, Coal Mines (Nationalisation) Act, 1973 (26 of 1973) declared the expediency of Union control of regulation and development of coal mines. Many improvements have been incorporated in MCDR to regulate the haphazardness in mineral sector but nationalised coal sector remained aloof.

The procedure for acquiring lease in and over the coal bearing area is different for Government companies and private companies. Though the provisions of the MMDRA existed, the leasing procedure for private companies came under operation after the re-entry of private operators in coal mining was

permitted. Private companies requiring lease over coal bearing area follow procedures detailed in MCR. In addition to other documents, applicants are required to submit to the State Government a mining plan duly approved by the Central Government. The above rule requires the lessee to carry out all operations in accordance with such mining plan. Incidentally, government companies are not required to prepare mining plan prior to grant of lease and hence remain out of the purview of the above said provision.

Government companies get the right in or over the land by declaring its intention to acquire the same under Coal Bearing Areas (Acquisition & Development) Act, 1957 (20 of 1957) (CBA). Such companies become lessee of the State Government as if a mining lease under MCR had been granted.

Un-scientific development of coal mine not only results in loss of non-renewable resources but most of the time create potentially dangerous situations for men and machine working in the mine. Ministry of Coal is the administrative ministry for enforcing Coal Mines (Conservation & Development) Act, 1974 and Coal Mines (Conservation & Development) Rules, 1975 but CCDA has empowered Chief Inspectorate re-designated as Directorate General of Mines Safety (DGMS) for ascertaining the compliance with the said act. The complexities involved in administration of CCDA made its provisions superfluous. At the same time due to consistent persuasion and guidance provided by DGMS, internal safety organisations (ISOs) in the public sector coal companies started functioning effectively. As per the act, the responsibility of conserving the mineral lies with the owner which in this case is the government. ISOs on behalf of

the owner are currently taking care of related issues.

Although DGMS, subordinate office in the Ministry of Labour, shrank its role to safety, it was expected to look into the aspect of conservation also. The capability of CCO in administering all provisions of the CCDA, with a view to enforcing systematic development of captive mine in particular, needs to be ascertained. The organisation with namesake strength may not deliver the desired result. Further, in compliance to the provisions of MCR, a committee constituted in the Ministry of Coal approves mining plans of captive mines. The responsibility of development of the mine in accordance of duly approved mining plan rests on the wisdom of operators.

Future

In view of large number of private companies entering into coal mining in near future there is need for overseeing compliance of MMRDA. All such mines would have a mining plan but mechanism to enforce its compliance is missing. Incidentally the need for an institution was not felt earlier due to the fact that government companies operated the mines and these were expected to take care of systematic & scientific development of the coalfields, mineral conservation and related issues.

Existence of waterlogged developed or partly extracted coal seam lying over working seam in underground coal mines have blocked vast valuable resources. Coal has also been blocked under man-made boundaries between two mines. Recovery from underground mines using conventional and semi-mechanised methods range between 50 to 60 per cent. Mechanised extraction methods lead to higher recovery from underground mines.

It is pertinent to frame rules under

MMRDA for development of coal mines similar to MCDR for laying down guidelines to address all related issues. Unlike CCDA and MCDR, the proposed legislation must have enough strength so that lease could be cancelled for gross non-compliance. Otherwise, the possibility of seeing a replica of erstwhile Jharia coalfield is not far. The mechanism or institutional framework required for ensuring compliance of the existing as well as proposed legislations should be such that working coal mines could physically be inspected at least once in every year.

In this context the success of DGMS in effective enforcement of safety legislations and thereby arresting the trend of fatal accidents in coal mines deserves a mention. DGMS, while enforcing compliance of the Mines Act, 1952 and subordinate legislations had been able to make its presence felt and exercised preventive as well as educational influence over the mining industry in general and coalfields in particular. Entire coalfield is serviced by its field offices. Major fraction of the total strength of 167 technical officers in DGMS attached with five out of six zonal offices, 14 out of 21 regional offices and 2 out of 5 sub-regional offices are dedicated to oversee compliance of safety legislations in coal mines.

Priority to safety does not obviate the need for conservation. In fact right orientation and systematic development of coal mine with a view to conservation results in development of safe and productive mine. A thorough review of available mining technologies may help in evolving suitable mining methods for maximizing recovery. For the time being existing organisation should be entrusted with the responsibility of framing suitable legislation in this regard and enforce the same for tackling the creeping monster till an alternative is thought of. □

(Email: satyamurty@nic.in)

In the News

Duties on iron ore, cement eased

Mauritius tax treaty under review, venture capital to get core sector benefit

The Finance Minister Mr P Chidambaram has doled out minor concessions to India Inc by marginally reducing the excise duty on cement, sparing venture capital funds from taxes on income from investment in infrastructure, reducing a little on the export duty on iron ore and simplifying norms for fringe benefit tax on gains through employee stock options.

However, no changes were introduced in the income-tax proposals. The exemption stands at Rs 1,10,000, as proposed during the presentation of the Union Budget in February. No changes were also announced in corporate tax or service tax rates.

Replying to the debate on the Finance Bill, 2007, in the Lok Sabha, Chidambaram acknowledged that inflation was a major concern but expressed confidence that would be moderated to 4.5 per cent with a combination of fiscal, monetary and supply side measures.

Chidambaram termed as "unfortunate" the lack of positive response from cement companies on bringing down prices despite several rounds of talks with the government.

The average price of cement has risen from Rs 165 per 50 kg bag in January 2006 to Rs 209 per 50 kg bag in February 2007 and to about Rs 240 in March.

The budget had reduced the excise duty to Rs 350 from Rs 400 per tonne on cement whose retail price was not more than Rs 190 per 50 kg bag. On cement that has a higher retail price, the excise duty is Rs 600 per tonne.

Under the new fresh measures

Fresh look at the budget

- The government admits there has been a rise in prices of essentials with the Wholesale-Prices Index based-inflation up at 6 per cent.
- Inflation to be moderated below 6 per cent in 2007-08 using a combination of measures by the government and the Reserve Bank of India. Desirable level is under 4.5 per cent.
- Fringe Benefit Tax on ESOPs to stay with minor changes
- Service tax on renting of commercial properties, proposed in the Budget, to remain.
- Pass-through tax benefits for venture capital to be extended to investments in infrastructure sector.
- Excise duty on pan masala to continue at 45 pc.
- Cement duty of Rs 600 per tonne to be reduced to 12 per cent for commodity priced above Rs 190 per bag of 50 kg the change may bring down excise by Rs 7 per bag.

- Customs duty on iron ore fines with Fe content up to 62 per cent reduced to Rs 50 a tonne, while duty on fines with above 62 per cent Fe content to be Rs 300 a tonne.
- Customs duty on cut and polished diamonds scrapped; customs duty on nickel reduced to 2 per cent from 5 per cent currently.
- Finance minister proposes to increase the tax-GDP ratio to 11.8 per cent in FY'08 from 11.5 per cent in the last financial year.
- Excise growth rate for the current financial year targeted at 10 per cent over 2006-07.
- Tax revenues for 2006-07 have exceeded the budget and revised estimates.
- GST to become operational in 2010.
- The Left parties' demand to hike securities transaction tax rate rejected.
- Double Taxation Avoidance Agreement with Mauritius to be revised by mutual consent.

announced companies selling cement at a price below Rs 190 for a 50 kg bag will continue to pay the reduced duty of Rs 350 per tonne, while those selling at higher than Rs 190 will have to pay an ad valorem duty of 12 per cent on the retail selling price.

"Effectively, this will result in a reduction of prices by Rs 7 per bag," Chidambaram said.

The government had removed the 16 per cent countervailing duty and 4 per cent special additional duty on imports of Portland cement recently after failing to persuade cement makers not to pass on the burden of additional excise duties to consumers.

Chidambaram also changed the structure of the export duty on iron ore,

reducing it Rs 50 per tonne with iron content of less than 62 per cent.

The export duty on iron ore fines with iron content of more than 62 per cent and flakes will remain at Rs 300 per tonne. The budget had proposed a flat Rs 30 per tonne export duty on iron ore.

The finance minister said the controversial Banking Cash Transaction Tax would be reviewed next year. He also indicated that the double-taxation avoidance agreement with Mauritius might be revised by mutual consent.

The finance minister also said the fringe benefit tax on sweat equity would remain, but clarified that the fair market value of the shares would be determined.

on the date of the vesting of options.

Typically, sweat equity goes through a four stage process: grant of options, vesting of options, exercise of options (the stage at which the employees get the option of buying the shares at a discounted price) and sale of these options in the market. Companies offer the share option to eligible employees at a discounted price from the fair market value.

The finance minister also slashed the customs duty on nickel from 5 to 2 per cent, and scrapped the customs duty on cut and polished diamonds.

He also exempted refrigerated vehicles used for transporting fruits and vegetables from import duty.

The pass-through status for investment by venture capital undertakings has been extended to infrastructure sector projects.

In the budget, Chidambaram had proposed to provide this concession to specified sectors like nanotechnology, seed research, pharmaceuticals research, dairy, poultry and bio-fuels.

The Finance Bill, 2007, containing the tax proposals for the current financial year, was passed by voice vote after the finance minister's reply on the debate. ■

Agni-III Launch Successful

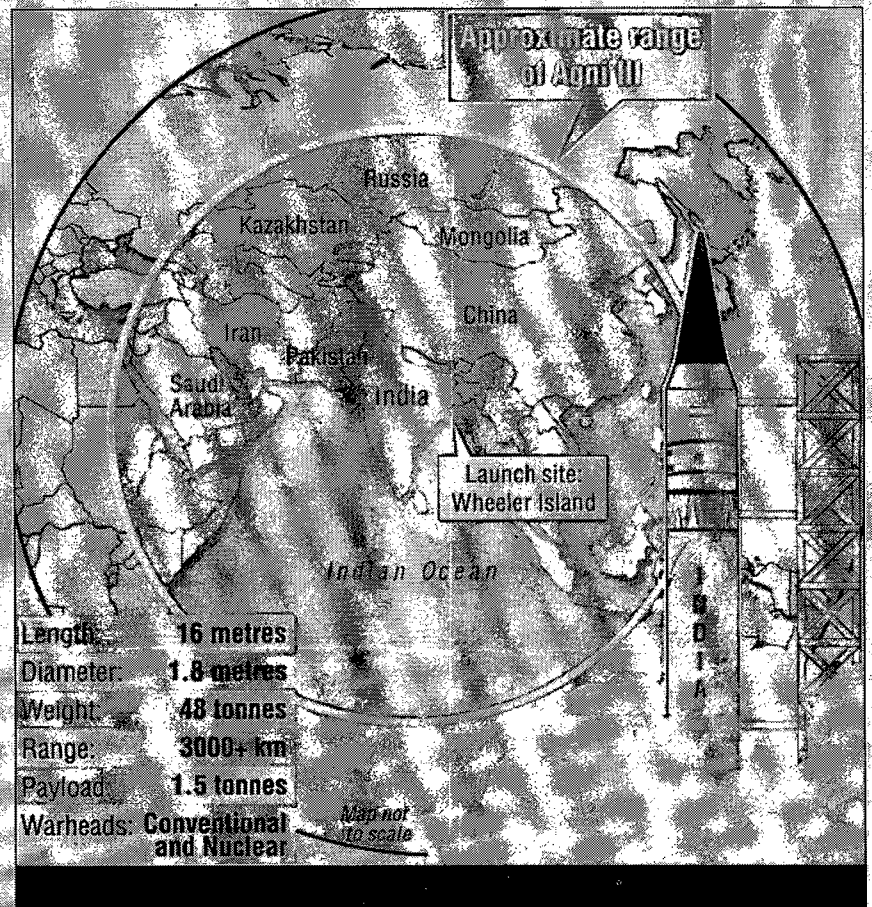
India has successfully test-fired its most powerful nuclear capable intermediate range ballistic missile Agni-III from the Interim Test Range at the Wheeler Island in the Bay of Bengal off the Orissa coast.

The indigenously developed two stage, all solid fuel, 16 meter long missile weighing 48 tonnes blasted off at 10.52 am from a fixed platform with the help of an auto launcher in the launch complex of the ITR, located about 72 km from here, defence officials said.

The surface to surface missile with a strike range of over 3,000 km and capacity to carry a payload of 1.5 tonnes has the capability to reach even remote Chinese mainland cities of Shanghai and Beijing India thus joins a select group of nations to field missiles of inter-continental reach.

"The entire flight path of 15 minute durations validated all mission objectives," a defence ministry spokesman said.

The defence minister, Mr AK Antony, has congratulated scientists on the successful flight-test of Agni III. He spoke to the DRDO chief, Mr M Natarajan, and the mission director, over telephone and told them that the nation is proud of the achievement of the scientist. Fitted with an onboard



computer, the missile went up to a distance of 90 km vertically crossing the atmosphere earth targeting the pre-determined impact point near Car Nicobar island, officials said. The missile was tracked from ground station at Dhamra, ITR Balasore, Port Blair and naval warships in the Indian Ocean.

With the successful test fire, Agni-III is the missile with the longest reach in

South Asia and more powerful than any missile in Pakistan's arsenal. However, China has missiles with a longer reach.

After three postponements, Agni-III was first test fired on 9 July, 2006, but the missile failed to meet its mission objectives due to cascaded failure of booster flex nozzle controller. □

PSLV makes commercial launch

Places Italian satellite Agile in a precise orbit of about 550 km above the earth



Proud Moment: ISRO Chairman G. Madhavan Nair, Italian Space Agency President Giovanni Bignami (right) and Project Director of PSLV N. Narayanamoorthy at a press meet after the launch of PSLV-C8, at Sriharikota. (Right): The launch vehicle soars into the sky

The Indian Space Research Organisation (ISRO) on 23rd April, 07 successfully made the first commercial launch of a foreign satellite through the Polar Satellite Launch Vehicle (PSLV-C8). Italian satellite, Agile, weighing 352 kg, was placed in a precise orbit about 550 km above the earth.

The PSLV also carried an ISRO payload, Advanced Avionics Module (AAM), to establish the next generation computers, navigation, guidance, control and telemetry systems that will be used in future launch vehicles. It weighed 185 kg.

ISRO Chairman G. Madhavan Nair called the mission "a 100 per cent success" and "a remarkable achievement."

He said: "We have made a good entry into the launch business. I hope we will get more and more business opportunities in future. The contract [to launch the Italian satellite] came at a time when there was a complex, competitive environment."

Italian Space Agency President Giovanni Bignami felt "thrilled" by

the successful mission, which would mark "the beginning of a new stage of cooperation" between India and Italy in

space endeavours. It has placed India "on a totally different footing" "in the launch market, he said. □

India Goes into Space Business

India made its first commercial space launch when its PSLV-C8 carried an Italian Satellite and placed it in orbit 550 km above earth. Here is why it matters:

RATE CARD

\$2
billion

The annual worth of the commercial satellite launch market. Competition includes the US, Ukraine, Russia and China

\$11
million

The amount ISRO charged the Italian Space Agency for launch. ISRO's charges are considered competitive

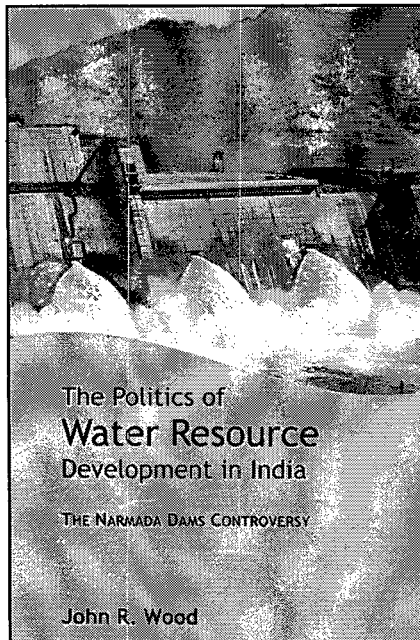
1000
kilogramme

The carrying capability of the PSLV. The Italian satellite weighed 352 kg

We will be happy to get even a 2-3 per cent share of this (\$2-billion market)

G. Madhavan Nair, ISRO chairman

Water Disputes



TITLE : THE POLITICS OF WATER RESOURCE DEVELOPMENT IN INDIA	
Authors	: John R Wood
Price	: Rs 625
Pages	: 288
Publisher	: Sage Publications India Pvt Ltd, Mathura Road, New Delhi

IT IS said that in the developing world, with an abundance of polluted water, no measure other than providing safe drinking providing safe drinking water would do more. We are on the verge of a surreal world where there is "water water everywhere, but not a drop to drink." The famous English poet sang of a Thames river full of spotless white swans in the sixteenth century. But when it came to the twentieth century of T.S. Eliot, the bard of the modern times, Thames became a pond of stagnant water with cigarette butts, empty beer bottles and plastic.

Now, in our country water is a hot subject. One of the oldest of river valley civilizations, one of our major political issues and war like disputes is water. The general perception is that the building of dams and harnessing hydel power are for the prosperity of the nation. But building them and sharing the waters of dams and rivers is a major political issue and a cause of interstate dispute. And, of course, activists and NGOs consider dams as something which cripple our natural economic growth and are environmentally destructive. The paradox is that while they oppose such projects, they have no alternate proposals for our energy and irrigation needs.

The book, "The Politics of Water Development in India" by John R. Wood begins with a touching narrative, when he started work as a teacher in a

rural Gandhian Ashram school in Saurashtra, where there was limited quota of water allotted to every student and teacher. The incident is a pointer to the water dilemmas faced by our riparian civilization. Urbanites may ask what is so touching about it. But, a rural Indian is so possessive of water that he is ready to sacrifice anything for a bucket of water.

In the chapter "the politics of water," the author deals with the issues of environment, rehabilitation and the political angles of the dispute over the Sardar Sarovar dam project in the Narmada river. He says that the Narmada related politics involved much more than the performance of federal institutions. The author says that political negotiation is the only way to resolve the conflicts over water resources development in a highly pluralistic society like India. But, the author says that though every water dispute, is ultimately political, there has been little political analysis on how the struggle to develop water resources has unfolded. Though Mr Wood deals only with Narmada project, the observation is true in a national perspective. We indeed have water dispute even between panchayats.

Chapter two says that water politics is relatively a new field. So, from an academic point of view the author says that it is impossible to deal with the perspectives of all the concerned parties and at the same time, dangerous to forget that each party's perspective has

its own validity and political significance.

To a very big extent, the author is critical of the Narmada Bachao Andolan movement. The author opines that the efforts of creating so called public awareness about and among the displaced people are only a kind of service to the political masters. Mr. Wood's observations come true in the wake of recent litigations in various courts.

Wood notes that everybody in responsible positions of administration is the cause of creating and prolonging the disputes whether they are bureaucrats or politicians in power.

The author hits at the point when he says that much of the advocacy literature and arguments by environmental and human rights activities is highly idealistic the government and technocratic reports say nothing about the political aspects of the contentious issue. That means, the developmental aspects lack proper publicity. All over the world, the politics of water is a desperate issue. But when the so-called activists make a mileage

why the government machinery fails to counter it?

The geography, people and the political and economic factors of all the disputant states of the Narmada project are the themes of the fourth chapter. The author deals in detail with the early proposals for the development of Narmada river. He says by the mid 1960s the Narmada project evolved into a full blown state dispute.

The role of the Narmada Water Disputes Tribunal, appointed in 1969 was analysed and examined in chapter five. It discusses the role of the tribunals in the mega projects of Sardar Sarovar in Gujarat and Indira Sagar in Madhya Pradesh.

Chapter five is a discussion of several aspects of the politics of opposition and the evolution of struggle by environmental and human rights activists. Mr Wood dives deep into several aspects of the politics of opposition of the project. If we read them together with some of the public interest litigations filed in various courts we can say that anybody has a rightful authority to doubt the claims of the five star opponents of such projects.

The book says that though a lot has been written and spoken about it, the truth has been a casualty.

The ongoing disputes on Narmada and Cauvery are strong pointers to the fact that there are limitations to suggesting specific remedies to the water conflicts in our country. The geographical configurations of the disputant states and the social, economic and environmental states involved as well as the politics of each conflict have their own special features. The author writes "the end result for India is that its water politics is highly diverse and continually changing. Meeting the challenge will require strong institutions, a will to co-operate and a determination to be just."

In these disputes, truth has often been a casualty and the parties involved consider politics of water as something annoying.

We, the inhabitants of a magnificent river valley civilization, have to live with it. Water disputes are increasing both in number and intensity. Another nightmare confronting our planners is the rapid urbanization, which requires abundance of water. □

– Prabhajot Baruah

A
DEVELOPMENT
MONTHLY



yojana

JULY 07

**Next Issue
on**

‘MARKETING HANDLOOMS’

Throwing light on the importance of marketing in handlooms sector, the next issue also carries a story on Fabindia in retail marketing.

RAU'S IAS

A name that Nation trusts

Amazing Success

Our Last Exam Results : Nine positions secured by our students in first 20 and 49 in first 100 with overall 203 total selections. As regards the past achievements, Study Circle has contributed nearly one-third of the total selections done for Civil Services by UPSC since 1953.

It is a well known fact that Rau's is the most trusted and recommended name all over the country for IAS & PCS coaching.

Unbeatable Strategy

Answers that matter : The most crucial fact about coaching is that it should improve the quality of your answers in the minimum possible time. It is precisely this training on which we focus on at Rau's to give an extra edge to the answers you give / write in the Civil Services Examination.

Be Sure

We have no branches or associates anywhere in India except Jaipur. Our name which has become a legend among students for the highest standards in teaching, and hence has been copied by a lot of people across India, but no one can match our quality.

Programme Highlights

Civil Services/PCS Exam - 2008

- ◆ Personal Guidance (English Medium) is available for -
General Studies/ Essay, History, Sociology, Public Administration, Geography, Psychology, Law & Commerce.
- ◆ पर्सनल गाइडेंस (हिन्दी माध्यम) -
सामान्य अध्ययन / निबंध, इतिहास, समाजशास्त्र भूगोल एवं लोक प्रशासन में उपलब्ध।
- ◆ Postal Guidance in English Medium available for -
General Studies, History, Sociology, Public Administration and Geography.
- ◆ पोस्टल गाइडेंस (हिन्दी माध्यम) -
केवल सामान्य अध्ययन, भारतीय इतिहास एवं भूगोल में उपलब्ध।
- ◆ Hostel facility arranged.

कोई भी लक्ष्य बड़ा नहीं ।
जीता वही जो डरा नहीं ॥

***If you are taught by
the stars, sky is the limit.***

New batches for 2008 Exam, start from 1st June, 2007

Admission Open, Apply Now.

Contact personally or write for prospectus with a DD/MO of Rs. 50/- favouring



RAU'S IAS STUDY CIRCLE

Head Office : 309, Kanchanjunga Bldg., 18, Barakhamba Road, Connaught Place, New Delhi-110001

Phone : 011-23317293, 23318135-36, 23738906-07, 32448880-81, 65391202, Fax: 23317153

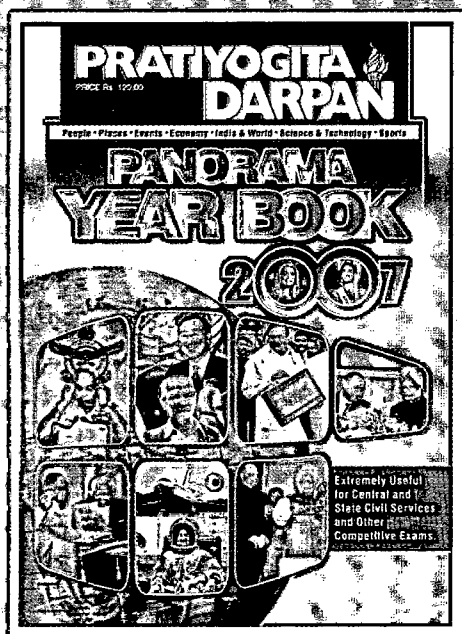
Jaipur Centre : 701, Apex-Mall, Lal Kothi, Tonk Road, Jaipur - 302015, Ph.: 0141-6450676, 3226167, 9351528027

For full details on fast-track log-on our website: www.rauias.com

The Original Rau's - Since 1953

Available at your nearest book stalls

It's reliable
It's authentic
It's up to date



BOOK YOUR COPY NOW!

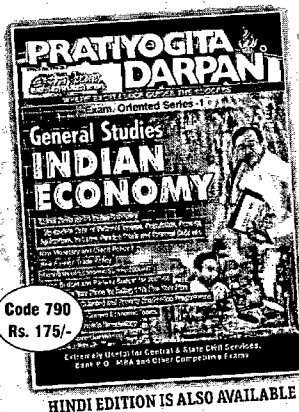
Code No. 800 ■ Rs. 120.00

HIGHLIGHTS

- India : At a Glance
(Historical to Present Scenario)
- CS Mains 2007 Success Strategy
- Chronology of Events 2006-07
- Economic Vision
- National & International Events
of 2006-07
- Sports Panorama 2006-07
- Science & Technology Scenario
- Annual World Panorama

**HINDI
EDITION
IS ALSO
AVAILABLE**

Most Helpful Material for the General Studies of Union and State Civil Services



Code 790
Rs. 175/-

Highlights

- Latest Facts about Indian Economy
- Up-to-date Data of National Income, Population, Poverty, Agriculture, Industry, Foreign Trade and External Debt etc.
- Monetary and Credit Policy
- Foreign Trade Policy
- Highlights of Economic Survey 2006-07
- Union Budget and Railway Budget for 2007-08
- India's Five Year Plans including 11th Five Year Plan
- Employment-Oriented and Poverty Eradication Programmes
- Important Study Material Based on India-2007
- Latest Reports of Prominent Union Ministries
- Short Notes on Current Economic Topics
- Important Economic Terminology
- Multiple Choice Questions

What the Toppers Say?

Pratiyogita Darpan's extra issues are very well compiled, cover things in detail.

—Mona Pruthi
IAS Topper-2005 (1st Rank)

Pratiyogita Darpan's extra issues series is very beneficial as it not only deals with the current issues but also with the history of events as well. It, thus, is of immense help in preparing for General Studies as well as optional.

—Gurneet Tej
IAS Topper-2005 (2nd Rank)

Pratiyogita Darpan's extra issues are really fantastic and they have helped me a lot, specially the Economics and Polity special.

—Randhir Kumar
IAS Topper-2005 (3rd Rank)