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**Feminist Research Methodology from Women's
Movement Experiment**

**Reduce and be Damned: The Politics of Population and
Development in India**

EDITORIAL HIGHLIGHTS

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Introduction

THIS November editorial covers activities at the usual three levels for the month of September. At the state level, the power section calls attention to the breakthrough in non conventional energy use and the strong plea for payment by them for having free power to farmers instead of continuously bemoaning this cost. Similarly a cost sensitive water tariff is proposed. In the stock exchange field, the development of the southern depository is noted. In agriculture, the bright prospects in foodgrain production and the development of pulses production policy are noted along with the problems raised by shrimp farming. In industry, attention is drawn to seven new ventures, covering Elcot, Perunthurai Estate, Madras Industrial Park, Sholinganallur Electronic City, Indo Singapore Project, Eswin and the liberalisation of SIPCOT credit. The four developments during the month in SPIC covered integration of group training activities, cooperation with a German firm, its mega corporate plan for 2000 AD and developments in petro chemicals. The problem area covered Standard Motors, Ennore Satellite Port and Tamarai Expansion. The other industrial developments referred to briefly are CRBL, Amalgamation, MFL, Sivanand Steels, Ashok Leyland and Silk trade production. In the national field, inflation problem referred to as declining is misleading as it is based on past provisional figures. The RBI proposal to slow inflation and the problems that slowing inflation will give rise to is noted. In the power field, the problems of counter guarantee are once more discussed together with

the proposal for privatisating SEBs, the states seeking foreign funds for power, the report of the NDC Committee on SEBs, power savings prospects and the collaboration of the power grid with a Hongkong firm. In the budget field, the problems of budget surplus, fiscal deficit and Plan short fall which seem to contradict one another are referred to. In the stock exchange area, the grant of further powers to SEBI and the relation of SEBI with 3 state exchanges are reviewed. In the economy field the positive growth perspectives, both overall and sectoral - agriculture and industry - reported forecast by RBI and NCAER are reviewed. The savings rate operating at 24 per cent and the full convertibility of the rupee on current account are noted. The economic policy reform and its effect on rural development, the relations between state governments and RBI, the central government agreement to limit the treasury bills, the problem of RRBs, the growing interest burden, and the effect of the adjustment programmes on poverty are passed in review. The reform in the drug policy which however does not take account of these effect of GATT on the policy, the disinvestment in PSUs, the purchasing power of the people, the problem posed by the Panchayat Raj and municipal finances, the telecom reform, the non taxation decision of foreign exchange inflows, and the FIs offer of \$50 billion for rural transport are reviewed. In agriculture, the perspectives are bright as seen in the current kharif crop, particularly in the rice bowls of Punjab and Haryana. The need for long term NABARD investment

credit and short term production credit and the restraint of the rabi prices as recommended by CACP are noted. The developments in floriculture, the research reports during the month and the developments in coffee, tea and rubber are passed in review. In industry, the growth rate is analysed once more followed by the review of the SSI scheme, the differing forecast on sugar output, the first private sector EPZ, the booming auto parts industry, the disturbing decline in investment proposals, the record of inter-state industrial investment, in which Tamil Nadu is at the bottom. The heavy investment of the private sector in steel, the industrial infrastructure growth and the winding up of six PSUs are reviewed. In the foreign trade field, the export growth for the period April to July are described and the reasons for the slow growth are discussed. The signing of 12 agreements between India and Singapore and the establishment of the Institute in Singapore to invest in foreign exchange trading in India, the reducing of import barriers, the recommendation of the RBI panel on FERA, the SSI contribution to exports and the surge in handicrafts exports are reviewed. In the area of aid and loans, the \$1 billion World Bank loan for roads and the 8 million Deutsch mark for developing further the department of electronics are noted together, with the welcome picking up, of external aid utilisations. In the area of Human Resource Development, the start in education where the declaration of primary education for all as a fundamental right is noted along with the fact that 22 per cent of the world's out of school children are in India. The challenging phase in literacy, the development of the maritime university, the countering of fake universities and the decentralisation of UGC are also noted. In the science area, the importance of research being cost effective, the developments in solar energy and the tie up between IITS and CLRI are examined. In health, the commendable Tamil Nadu performance is noted. In employment, the serious lag between targets on the one hand and the reported job rise in the

three years 1991-93 are referred to, with a call for further study to reconcile the divergencies. The pestering problem of child labour which is particularly characteristic of Tamil Nadu and the proposal of the government to establish a National Authority on Child Labour are examined. KVIC's programme to generate two million jobs and the recommendations of the regional minimum wage advisory panel are passed in review. In the international field, the world economy as forecast by the World Bank and Unctad are analysed. The World Bank's first loan to China for education is noted as also the rise in IFC loans for the private sector, and the final declaration of the UN conference on population and development is summarised in both its plus and minus aspects. In other items in which the Institute is involved, there are reference to the developments during the month of September, the Madras Craft Foundation General Body meeting, the Satya Nilayam's seminar, the National Council for Industrial Harmony's Executive Committee, India International Centre's monthly panel and seminar, the proceedings of the Madras University Senate House Conservation Committee and the decisions of the quarterly meetings of the Tamil Nadu State Council for Higher Education.

State

Power

In the power development of the state, a recent thrust is the increasing use of non conventional energy. The generation of its wind power has already touched 93 MW mark and is well on the way to cross 100 MW by the end of September 1994. In this the major four player companies of the private sector and the government being responsible for total capacity of 19 MW. If this rhythm is kept up it will be an important means of providing power to the industrial and agricul-

tural sectors. In this context the government owned Indian Renewable Energy Development Agency (IREDA) which is the country's premium agency in the non conventional energy sources and the Industrial and Technical Consultancy Organisation of Tamil Nadu (ITCOT) have signed a memorandum of understanding for commercial promotion of renewable energy technology in the state. IREDA itself is negotiating a \$100 million loan of credit with the Asian Development Bank (ADB) for functioning power generation projects from non conventional sources of wind, solar, thermal, co generation in sugar mills and from methane extracted from industrial effluence. The supplement to this would be the union ministry of agriculture's nation wide programme for the production of power from bio mass as pointed out in the earlier issues of the journal, the cost factor is no longer an obstacle both because of the declining costs which the recent research makes possible, but also because the cost of the conventional energy with the entry of the private sector, particularly the US firms, into the power field which has resulted in the shooting up of costs. Meanwhile of course the thermal generation is being pushed forward as in the case of North Madras plant whose first 210 MW unit will come to operation this month. Its financial capacity is to be 630 MW. The conventional energy costs are mounting also because the Tamil Nadu Electricity Board is being obliged to import 1.5 million tonnes of steaming coal for this year due to the limited domestic supply. Within the area of thermal power development, the large lignite deposit in Tiruchirappalli district are being used for integrated lignite thermal station use in the Tiruchy district. The location of this project is Manargudi. It is hoped that the Rs.225 crores ADB loan to the Board which is to support not only its augmentation but also its upgradation plan help towards the low costs through the better management of power supply. Would these supplements also help the Tamil Nadu Electricity Board to meet its peak demands which is in a sense the real pressure point.

Water

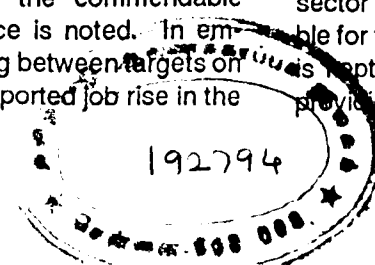
Both in regard to water supply and in regard to power, there is a serious residual problem. It is not of much use for the state government to keep mourning about the cost free supply to farmers which amounts to Rs.703 crores per annum. This can be dealt in part by making farmers pay the minimum rate established by the conference of power minister. Similarly the new water policy notified by the government should go along with the costs and sensitise water rates. The water rates will have to reflect its scarcity value in order to foster a sense of economy in water use. The start of imposing water rates for improvement of works should be quickly followed up by the levy of full rates.

Stock Exchange

The decision of the President of Southern Stock Exchanges to expedite the setting up of the Southern Stock Exchanges depository is a timely one. Its paid up capital is only Rs.15 crores but the result would be to bring some order into the stock exchange dealings in the South. Madras Stock Exchange reports a tie up with the Loyters Ltd for the dissemination of information about Madras share prices to international clients. It is also proposing to establish a private message system to handle data and information between the members. This is a rather important development for the state as it places the Madras Stock Exchange in an international context and to that extent will increase and improve its functioning.

Agriculture

The prospects for agriculture in the state is good, thanks to the plentiful south west monsoon. The kuruva harvest which is being completed in Thanjavur, Nagapattinam, Quaid-e- Milleth districts will certainly contribute to the attainable targets of the 25 lakh tonnes for the year. But the parallel procurement policy for the short term kuruva crop



raises a number of questions. In spite of the three years of bountiful paddy harvest open market prices have not come down. In spite of the removal of all the movement restrictions between the states, paddy prices rule high. Here the reason for the cooperatives not attaining the aim of its marketing intervention, atleast in the urban centres where they function as a means of containing the open market prices at affordable levels must be faced and met. The standard reply of the food department to this problem is that consumers prefer to go to the open market because they doubt the quality of the rice supplied through government outlets is no excuse. In any case it is a call to ensure good quality rice being supplied through all channels of PDS. A further question raised is whether the parallel procurement scheme should be replaced by the Food Corporation of India being allowed to do the procurement in the state. This would also compensate for the larger state drawals from the central pool. There seems to be certain non technical factors at work, preventing the improvement of PDS rice quality and the smooth operation of the FCI. More over this is also in the interest of the state because it cannot depend for ever on being able to draw every month some 85,000 to one lakh tonnes from the central pool. It seems that the states foodgrain policy is an ad hoc one. It has for this year decided to allow limited movement of DCM-9, reddish rice, for sale outside the states. Also its ad hoc nature is seen in its suspension of the 100 per cent levy which is imposed on movement of paddy outside the state. This suspension is only upto December 31. The foodgrain policy needs to be reviewed and established on a long term firm basis. Two other positive developments in the states agricultural areas needs to be noted. First the government has at long last decided to formulate a long awaited pulses production policy. This policy would make available to all farmers the rhizobium which is both low cost and high yielding, together with the distribution of certified seeds and techniques like foliar spray, DAP

and the sprinkler system. The cost of the policy would be Rs.192 lakhs to be shared between the centre and the states, with the centre carrying the major share. The programme will cover red gram, green gram, black gram, horse gram and cow peas involving some one lakh farmers. A second positive development is the programme to expand the area of coconut cultivation in the state. For 1993-94 additional 1514 hectares were covered which was 50 per cent above the target. For this year, its programme is to cover an additional area of 715 acres for which a subsidy of Rs.42.16 lakhs is to be disbursed. It is important that this programme be carried out carefully with the minimum of wastage. Shrimp farming concern expressed by Tuticorin fisheries and research institute should be noted with regard to the disorganised development on shrimp farming which is causing depletion of natural resources and leading to ecological and environmental problems. There is growing conflicts among shrimp farmers, environmentalists and the people calling for exports to draft strategic plans to overcoming the problems while maintaining the shrimp yield. Whether we can so eat our cake and keep it, is however highly doubtful.

Industry

In the industrial area there are number of new ventures represented during the month which will have a lasting effect, on the industrial status of the state which is a rather low one, as will be noted under the national section. The first phase of the electronic city at Sholinganallur serving both large and small industries was inaugurated during the month. This is a joint venture with Elcot where the stake is shared equally with a total investment of Rs.15 crores. This project will also mean employment generation for over 10,000 people and an equal number will be employed indirectly. The city will be offering developed plots for electronic industries, multi storeyed work sheds for SSI electronic units and transit sheds for entrepreneurs

on rental basis. There is need to translate these proposals and plans into action. A second new project is a Rs.250 crores industrial estate which is planned in Perundurai in Periyar district. Here again these plans for which only the foundation stone is being laid, needs to be followed up through assiduous work. Third, the Madras Industrial park which is the Singapore Corridor reports that it has picked the Indian promoters. What remains to be done is the choice of the Singapore key promoters to move this project forward. The Southern Petro Chemical Industries Corporation and the Balaji group which are the Indian promoters will be mainly responsible for choosing the Singapore co-promoters. It is hoped that SPIC and Balaji will be able to move quickly on this project and not be tied down by TIDCO and its regulations. TIDCO is providing 11 per cent of its capital. Fourth, a Madras based sea foods firm, Blue Bay Marine Foods Ltd has tied up with Singapore's Asian Pacific Sea Food Private Ltd for setting up an integrated shrimp food project at Myiladuthurai. The firm will have a capacity of 3600 tonnes and is one of the projects signed during the Prime Minister's visit to Singapore. It will be referred to later under the national industry section. Fifth, a positive development in industrial field is the decision of SIPCOT to liberalise its lending terms to meet the needs of up coming entrepreneurs and industries. The credit limit has been increased from Rs.1.5 crores to Rs.3 crores and the interest rates lowered from 16 per cent to 10 per cent. This would mean that only those with the sound target record and credit worthiness will be serviced by SIPCOT at rates which they can afford. Another new development to be noted is the joint co generation power plant from distillery spent wash from Aruna sugars set up by Esvin Advanced Technology Ltd and the Manufacturing and Technology Convention International of USA. The scheme is that the process which will treat distillery spent wash will involve zero pollution. This remains to be tested and if realised will be a very

important advantage both to the state's industry and its environmental programme. With regard to existing companies SPIC reports three developments during the month. First, with the aim of achieving a turn over of Rs.10,000 crores by the turn of the century it reports developing a new focal point in trading through its recently set up international trading division which will be integrating all imports and exports of its food companies. Second, it reports that the polyester filament yarn to be manufactured by SPIC's petro chemicals will on the basis of the memorandum of understanding signed with Uhde Gambh, Germany to help it achieve revised financial structuring, lower duty on imported capital equipment and international capacity. It will also produce popular commodity deniers in its partially oriented yarn category. Third, it reports setting forth a mega corporate plan for 2000 AD utilising the funds raised through two GDR issues last year. Their prime focus will be on framing a new corporate structure for the SPIC group and achieving five fold increase in turn over within the next five years.

The state also during the month faced a number of problems. The foremost is the continuing state mark at Standard Motors, BIFR -as issued a show cause notice to wind up Standard Motors Projects Ltd because the Board has declared it unviable with an accumulated loss of Rs.180 crores as against the company's net assets of only Rs.50 crores. It may be noted that this is a case where the government initiative to restart a closed industry has failed. Reopened in February 1992 with a BIFR rehabilitation scheme supported by the state government, the plan did not work and the lock out was declared in July 1993. It was reopened for a short time, but as it could not achieve the desired output, it was closed again in April this year. Even the IDBI appointed by BIFR as the operating agency has failed to find a new promoter. A second problem area is the Ennore Satellite Port to be used exclusively for handling hazardous cargo like chemi-

cals. The port is making slow and difficult progress and the Madras Port Trust believes it can be commissioned by 1998. The works are now six months behind schedule and it looks as if this delay will be further increased in the next two years. Another problem project is the Rs.15 crores modernisation programme of Tamarai Mills of Madurai which again is lagging by about 15 months. The project focus which is a revamp of its product mix from commodity items like coco, cotton yarn etc to value added brands like designed and furnishing and upholstery the project is being supported by IDBI and ICICI whose continued support will depend upon the firm achievement and satisfactory financial results.

Other industrial programmes during the month include the programme of Cochin Refineries Ltd. and Balmer Lawrie Ltd. widening its product range with an investment of Rs.300 crores in the coming three years, this will depend on the project being able to feed the preparation unit for the development of LPG by the Cochin Refineries which is a question mark. Amalgamations also proposed to invest Rs. 130 crores for its various expansion plans which is aimed to raise the present group's turn over from Rs.1200 crores to Rs.3000 crores by the turn of the century. All its expansion will be in the auto component related areas which is recording impressive growth. Third, the Madras Fertilisers revival package of Rs.455 crores which has run into problems following IDBI's reluctance to fund it is now placing its hopes on National Fertilisers Ltd. to supplement by Rs.100 crores the Union government funding of Rs.92 crores. This reliance on the Central Government financing at this stage would pulling out of its public sector commitments is questionable. Another industrial effort is that of the Sivananda Steels which manufactures different types of sophisticated castings. Its modernisation cum expansion programme which comprises sophisticated melting furnace, spectro motor and x-ray quality plastics depends on Ger-

man technology which it is planning to import. It requires Rs.2192 crores to finance these new activities and will be going to the market to raise it. Fourth, during this month Ashok Leyland finances reports its plan to introduce a new instrument called action rated debenture which will be a secured redeemable non convertible debenture which will be auctioned through the financial institutions and banks. The success of this programme also should be watched with interest. Finally silk is developing as one of the instruments for the state's prosperity. The basis is the growing universal middle class demand for silk sarees, and silk materials. The state ranks third in the country as far as silk production is concerned at Rs.40 to Rs.50 crores per annum. In 1993-94 4.1 lakh kg of raw silk was sold in the state and another over 1 lakh kg as imported from other states like Karnataka to meet Tamil Nadu's large demand.

National

Inflation

The rate of inflation for the month of August ending 27 fell to 9.01 per cent. The decline in inflation began at the beginning of the month and has continued rather slowly. The problem with reporting on these inflation rates is as noted earlier based on the point to point competition which involves comparing the provisional index of the month for this year with the financial index of the previous year. When the provisional index is corrected it will go up by 2 percentage point. The other problem is this short term indices reflect the price increase and falls of various articles. For the month of August the index shows an increase of non food articles, minerals, food products, wool and wool products, leather and leather products, basic metals which rise will not be sustained during the coming weeks. In re-

gard to inflation the Reserve Bank of India has sent out two disturbing signals in its 1993-94 annual report. One is to get the rate of inflation down by 4 full percentage points. This signal is a correct one, it will also involve bringing the annual rates down to sustain the 6 to 7 percent lower inflation rate. The question is how is inflation to be slowed down as the annual rate is still about 10 per cent. Money supply growth has been checked, food cost are brimming over and an excellent harvest is expected next month. The exchange rate has not depreciated, import prices are stable and bank credit has increased at a very modest level. These should have resulted in a decline of the inflation rate, Reserve Bank of India does not address the question as to why this has not happened. The other signal is the insistence of the Reserve Bank on a reduction of the fiscal deficit to a low which will enable it to slow government securities from its cost. This will need a cut back in government expenditures which can only be through a reduction of capital expenditure and a consequence set back to infrastructural outlay which will dampen private sector expectations. On top the sale of Reserve Bank holdings of government securities will mean deflation which will cancel such recovery as the economy has made to be referred to later. Sooner or later the Reserve Bank of India will have to reduce or even bar foreign investment inflows atleast for a short period in order to counter inflation. A further anti inflation effort by the government is the stagnant and significant narrowing of the budget deficit. Reduced rates depend on the issue of ad hoc treasury bills by Reserve Bank of India to finance the deficit has had a positive affect. The use of market borrowing in place of treasury bills involves the cost of higher interest payments which has to be set off against the resulting lower rate of inflation. This facet of inflation controls demand the continuation process of the budgetary controls into the second half of 1994-95.

Power

The problem of counter guarantees has been referred to in the last two issues of the journal. Now the power ministry claims that it has worked out two alternatives to counter guarantee. They are payments through Escrow account and direct supply to bulk consumers. These alternatives are now being financed and made fool proof. They will ensure timely payment like consumer to private power developer. The Escrow account route requires that the respective and the commercial bank entering into a tripartite agreement with a private power developer for the payment of energy bills. The other proposal referred to is the direct sale route adopted by the central energy public sector units like NTPC which have direct dealings with bulk consumers. The role achieved of this alternative is that it will be available to both Indian and foreign power developers. The Union Government reports during the month that it has formerly concluded the counter guarantee agreement for the Dabhol power project which hopefully would be the last. A some what unusual development through the month was the government backing of the US gas and power giant Enron to raise \$650 million at 12 per cent from foreign markets when Indian financial institutions like HDFC, ICICI and IFCI have been stopped from raising funds at less than 7 per cent. This is in addition to the 12 year bond which carries the Government of India's counter guarantee. This end affect borrowing abroad by the government at 12 per cent interest is indefensible. This high cost will be passed down stream and ultimately it will be the consumer who will have to pay for the Enron ministry of finance munificence. Related to this is the link between consolidated Electronic Power Association of Hongkong and the Power Grid Corporation of India to establish the country's largest power project with a generating capacity of 10,560 MW at a cost of \$12.6 billion. Whether this will also involve the kind of counter guarantee just referred to

is not clear. The Pearl Mega Watt cost of generation works out to about \$1.2 billion or Rs.3.6 crores. There are several questions as to whether India should be engaged in this kind of very large power project involving heavy foreign exchange costs. The National Development Committee's panel on State Electricity Board has come out with a set of recommendations for placing the power industry and SEBs in a viable position. It emphasises the need for SEBs to work on purely commercial lines and for any real subsidies only to come from explicit budgetary subvention. It calls for the privatisation of SEBs, selling 49 per cent of their equity as a start, followed by 26 per cent by the end of the century. The saleability of the equity depends on the commercial principles recommended. Incidentally it is not the SEBs who are responsible for their loss making situation under which they are working, it is the state governments and the state legislatures decide on free power supply. The panel suggests the creation of tariff boards to fix tariff so that there will be a return of 16 per cent on their equity. It notes that the private parties will provide a new incentive to curb thefts and transmission losses which today exceed 22 per cent when they should be only 7 to 8 per cent. It recommends that private parties should also take over billing, recovery of issues which are neglected today. It suggests open tendering to award project to private sector parties. CEA has played a greater role in project preparation. The government will still remain on the scene as the regulator and provider of such subsidies with political constraints on them. The financial viability will be assured by a clear divorce between the commercial and political aspects of electricity. On this basis there will be no more need for counter guarantees. The farm lobby will protest against these reforms, and unfortunately it is supported by all parties including Congress, BJP at the Centre and AIADMK in this state. It is a competition between politicians with short time horizons which has resulted in uneconomic power tariffs. NDC's proposal is

the real answer and not the two alternatives worked out by the power ministry. In this connection the possibility of foreign private investment in power transmission is being considered as a viable solution to the funds shortage facing the sector. This should be vigorously pursued. At the end of the 8th Plan, the country is likely to face a power short fall of 32,000 MW and so the centre plans to spend Rs.1200 crores through the Power Finance Corporation and Rural Electrification Corporation on a cost sharing basis with the state governments. The schemes here are aimed at improving the efficiency of power plants and reducing transmission and distribution losses. They should be regarded as a supplement to the privatising of SEBs for which there is no alternative.

Plan and Fiscal Situation

The fiscal situation is somewhat confusing. During September as at the end of August the union budget shows a surplus of Rs.5000 to Rs.6000 crores compared to August of last year. But this is to some extent due to the fact that the central government has completed as much as 63 per cent of its market borrowings during the first five months (April/August). During this period the Union government borrowed Rs.17,000 crores against the target of Rs.27,000 crores for the whole year. On the other hand the fiscal deficit which has been fixed at 6 per cent of GDP in the current year is not sustainable in the long run. The fiscal deficit, government feels, can be reduced by priorities on expenditures, better tax compliance and sharper focussing of subsidy. The government states that it would be raising Rs.4000 crores by way of disinvestment of public sectors shares in the next two years. This is much lower than the 49 per cent disinvestment recommended by the Rangarajan Committee. The 8th Plan investment short fall in the first three years amounts to Rs.31,000 crores or 7 per cent of the plan investment. Against the targeted plan invest-

ment of 60 per cent in the first three years, the investment both in the central and state sectors average an annual 53.29 per cent. Particularly disturbing is the short fall in the core sectors of power, irrigation, flood control and transport. Hence Rs.18,000 crores is needed in the next two years to bridge the plan short fall. While the centre's plan expenditure target was short by only 1.4 per cent, the state's had a large short fall of 15 per cent. At this rate the Planning Commission estimates that the 8th Plan will not go beyond 85 per cent of the plan expenditure target.

Stock Exchange

The government has delegated to SEBI most of its powers under the Securities Contracts Act 1986. This delegation of additional powers to SEBI is aimed at ensuring more effective protection of investors. The delegation involves submission of applications for recognition of stock exchanges, granting of such recognitions, withdrawal of recognitions, making or amending rules of articles of associations of stock exchange, issue of notifications which apply to an area, regulation of control of business dealing in spot delivery contracts, hearing appeals submitted by companies and issue of notification specifying any class of contracts as contracts to which the Act applies. SEBI has attempted to control the continued rise of the sensex for which it has asked the stock exchange management not to extend cash settlements beyond the stipulated seven day period and block existing loopholes relating to non delivery of renewable of cash rates. During the month SEBI has asked three major stock exchanges at Bombay, Calcutta and Ahmedabad to comply strictly with the regulations relating to transactions between clients and brokers. It has advised them to carry out the necessary amendments within one month and asked them to submit the amendments for its approval. SEBI is thus slowly establishing its control over the stock exchanges.

Economy

The economy during the month records several important developments. RBI's annual report for 1993-94 assesses growth prospects at 5 per cent of GDP for the current year, with industry to grow at 7 per cent and agriculture at 3 per cent. The National Council for Applied Economic Research joins RBI in forecasting a GDP growth of 4.8 per cent for the current year, with agriculture at 3.2 per cent and industry at 6.4 per cent. It places foodgrain output at 188 million tonnes with sharp increase in coarse grains, in non foodgrains major increase are projected for groundnut, cotton, jute and sugarcane, inflation is forecast to average at 9.2 per cent, down from 10.2 per cent of the previous year. The prospects for agriculture are good as during the first three months June to August, 31 meteorological sub divisions out of a total of 35 accounting for over 90 per cent of the country's gross cropped area have received excess or normal rain fall. Industry also is buoyant as indicated by excise +17 per cent and customs duty +13 per cent collections. Several surveys show buoyant investment as companies see higher returns of their investment and plan to add to their capital stock. Already the cost of projects for which the corporate sector has entered the capital market with public issues is estimated at Rs.13,923 crores for 1994 compared to Rs.8236 crores for all of 1993. Foreign direct investment too has picked up during the first half of 1994, Rs.1136 crores flowing in which is more than two thirds of the total for 1993. Thus while the short term prospects are bright the medium term raises questions about the deepening and widening of the economic reforms programmes. Here the growth can be held back by combination of macro economic imbalances and infrastructural bottlenecks. The micro economic problems include sectoral level reforms which are yet to cover banking reform, the declining rate of return on capital in SEBs now standing at -13 per cent, the low productivity of Indian industry, the drop in RBI

expenditure as a per cent of GDP, the high interest rates compared to the international norms and the blow up of reserves as NCAER points out, for reasons other than trade and the possibility of rupee appreciation hurting export growth. There is urgent need for fiscal discipline as 53.3 per cent of revenue receipts are being used to meet internal debt commitments compared to 39 per cent in 1990-91. Such borrowings will also crowd out private investment and provoke inflationary process. The savings rate according to the finance ministry is expected to touch 24 per cent in 1994-95 which will counter the steady decline in gross capital formation which was 27.3 per cent of GDP in 1989-90 and 24.5 per cent in 1992-93. The IMF induced austerity and slow growth rate led to fall in the savings rate from 23.6 per cent in 1991-92 to 22.3 per cent in 1992-93. Public sector as a savings of GDP were a low 1.6 per cent in 1989-90 rising slowly to 2.1 per cent in 1992-93. Private Corporate sector savings have been constant during this period at 2.7 per cent. It is in the household sector that the decline in savings is marked at under 20 per cent of GDP in 1991-92, households curtail savings to maintain their consumption levels and so when GDP growth slackens during the period of stabilisation the share of savings fell. The reforms have in addition to increasing domestic savings also increased foreign savings. But the warning is that the rate of savings in South East Asia is 30 per cent. The government's aim is to move to full convertibility on the capital account in the not too distant future. India's foreign exchange current year reserves have increased from \$6 billion to \$15 billion in 1993-94 and the first five months of the current year to \$17 billion and at this rate it will reach \$25 billion at the close of the year, March 1995. If imports rise this year by an expected 10 per cent the projected year and reserves would provide import cover for over 11 months as against the normal three months. For this unstoppable rise in reserves the policy makers should look for means of increasing invest-

ment and not for slowing down the inflows. If the convertible rupee is allowed to float, its appreciation will slow down the rupee equivalent of foreign investment inflows and accelerate income and capital gains outflows. Exports will suffer but the country can afford this because rupee appreciation will boost import of plant, machinery and components, if the import intensity of such investment as is taking place is on the rise. One other corrective to the regional imbalances being caused by the flow of investment resulting from the new economic policy is a new thrust in rural development. Here the government has announced that it will be raising the allocation for the sector to Rs.60,000 crores in the Ninth Plan from the current plan level of Rs.34,000.

The agreement between the Reserve Bank and the finance ministry to limit ad hoc treasury bills to Rs.6000 crores for this year and to phase out completely by 1997-98 is important and a welcome step. It has been hailed by the Reserve Bank and government as historic, which it is. As it is for the first time the central government has agreed to slow down on its fiscal profligacy, the most pernicious effect of the ad hoc treasury bills is the automatic monetisation of the budget deficit which promotes high rates of inflation. This accord between RBI and the government should not be legislated in order to prevent its being contravened. This could be done on an ad hoc basis when treasury bills are completely liquidated. But the larger significance of this agreement is that it makes possible for the Reserve Bank to set and operate monetary and credit policy without regard to the government wishes and needs.

The government has also decided to provide Rs.275 crores as fresh contribution to the capital of 49 Regional Rural Banks. Here again the problem of the deteriorating financial situation of RRBs is due to the government and not of the banks. The entire *raison d'être* for RRBs was destroyed when the government decided to give wage parity with

the staff of nationalised banks. Thus soaring administration costs combined with the limited income generating opportunities and various restrictions of their operation have adversely affected their commercial viability. The package of measures announced in December 1993 has not really reduced these handicaps. What is needed is to overhaul the rural credit system completely which may involve reducing the number of RRBs. With 178 of the 196 RRBs showing losses at the end of March 1992, the time is running out for implementing the Narasimhan Committee recommendation of merging the rural branches of commercial banks with RRBs to form rural banking subsidiaries along with the closure of the non viable ones. The possibility of the creation of a central agency for RRBs is also an alternative which should be carefully examined.

The effect of the adjustment programme on poverty needs analysis. Theoretical models on this issue assume that labour is homogenous and that labour markets are competitive. These assumptions are not true to reality. Analysis in regard to income adjustments on income distribution has been restricted in the hope of redistribution with growth or the trickle down theory. Here again the reality is far more complex. It is now made clear by research that labour markets like other markets are subject to various rigidities and imperfections such as labour union, government regulation, hiring at wage levels, the absence of any indexation of the large mass of workers in the non formal sectors, etc. The fundamental purpose of adjustment is to change the orientation of production in favour of tradables, that is exports and imports making the relative price in favour of tradables through devaluation of the exchange rate. This process requires a change in the pattern of employment sectors. As noted, the change in employment pattern varies with the adjustment effects with different groups of workers differently. The simplest categories of forms and the workers employed would be in terms

of whether they operate in the formal or informal sectors. In the formal sector wages are fixed in the short term and worker here experiences a fall in the real consumption wages, as the over all price level rise as the result of adjustments. This situation becomes even worse in regard to workers in the informal sectors who have no indexation. As most of the poor are employed in the informal sector adjustment have an unfavourable effect on poverty. It is no comfort that real wages in the formal sector as noted earlier fall because distribution effects between workers arise from differential impact on the real wages in the formal and informal sector. Hence a re-examination of the rules that have been formulated with the ostensible purpose of helping the poor workers is inescapable.

During the month there has been a reform in the drug policy. The new drug policy announced in September speeds the liberalisation move as seen in the delicensing of all but a few bulk drugs, that formulations and their intermediaries with the exception of 5 bulk drugs reserved for the public sector are freed of control. But the mechanism of prices control in respect of as many as 79 drugs where the turn over exceeds Rs.4 crores (all units below are exempt of price control) is due to the complexity of the health care scheme. While there is no doubt that essential drugs must be available at affordable prices to the lower income group, statutory price control and the threat held out that the prices of drugs taken out of control will remain under official surveillance might reduce their availability. There is a promise of transparency in respect of prices control but the problem is that when income and costs are escalating and the government takes time to revise prices consistent with the rise in costs, this transparency is not really helpful. When all controls are dismantled prices will rise, but here is where the abolishing of reservations will help. Particularly when only five bulk drugs are reserved for the public sector, there are greater opportu-

nities for investment, provided the prices realised is helpful. When spurious and sub standard drugs are posing a threat to health, the drug policy should reflect greater openings towards big Indian manufacturers as well as subsidiaries of foreign companies. The policy statements should be so operated as to cover this. The new drug policy also should not restrict its attention to pricing, production and R&D only, its coverage should extend to others equally vital areas such as strengthening existing facilities for testing drugs for their toxicity, making technological evaluation of drugs for determining their carsenogenic and other properties. The drug policy of September 15 does not come to grip with the post GATT scenario because the new measures are only designed to improve the profitability, by reducing the span of control to 73 drugs from the present 143. GATT provision on individual property rights under the pipe line provision clause comes into effect from January 1, 1995 and this needs to be taken into account. The drug export was Rs.2013 crores last year (+41 per cent over the previous year) and these will be affected by the GATT decisions.

RBI reports that the net cumulative investment by foreign institutional investors registered with SEBI in August 1994 was \$2566 million, the net monthly investment was \$116.6 million, the gross monthly purchases were Rs.539.5 crores and gross monthly sales were Rs.178.1 crores of FIIs which have been granted permission under FERA by the Reserve Bank.

The government in September approved disinvestment of government holdings in 20 public sector undertakings. This disinvestment can take place in either of three ways - auction, the public issue of the PSUs and then selling them to the public, or government fixing the price and offering shares directly to the public. The undertakings included are ITDC, IPCL, Hindustan Organics, Hindustan Zinc, IOC, IL, ONGC, etc.

The National Council of Applied Economic Research has estimated that over 550 million people in India could be in a position to purchase manufactured consumer goods, based on surveys carried out for four items during the period 1985-86 to 1992-93. The Council estimates that the number of people above the lowest level of income (below Rs.11,000 per annum at 1987-88 prices) amounted in 1992-93 to 36.5 million and at the highest level of income to 20 million). Thus the population that could purchase the goods could be a total of over 100 million households - that is 550 million people. This bears out the repeated statement about the large and growing Indian middle classes offering one of the world's biggest markets. This places on the producers the responsibility for durability of goods which makes the Indian market qualitatively different from those of Europe. Among other important findings of the NCAER report, is the one about a third of the households having more than one income earner at all India level which means that it has more purchasing power to sustain the consumer goods market. The other finding is the sharp decline in rural India in the percentage of the cultivator population from 50 to 40 per cent. Simultaneously there was an increase among wage earners from 24-34 per cent as between 1989-90 and 1992-93. Does this reflect the shift from self supporting peasantry to wage earning labour, which is disturbingly confirmed?

The Panchayati Raj Institutions established following legislation and following different models have one common problem and that is the lack of adequate resources to meet their obligations. Their limited taxation powers have for political reasons not been used and the state governments have not endowed the Panchayati Raj Institutions with the requisite powers of taxation. The states have also been reluctant to share taxes and other revenues with the local bodies. This local resource mobilisation has been examined by several committees - Local Finances Committee 1951, Taxation

Review Commission 1954, Santhanam Committee 1961, Ashok Mehta Committee 1978. The 73rd Constitutional Amendment which makes the election to Panchayati Raj obligatory, is weak as far as their financing is concerned in several states leaving it to the discretion of the states to meet the financing needs in executing the functions enumerated in the 11th schedule. The powers of taxation and capacity to raise money differs from state to state which can be classified as follows: taxes levied at local level, surcharges on taxes, share taxation, licensing fees and fees for granting permission, rent from property, statutory grants, development grants, discretionary grants, and raising of loans etc. Under the first category the Panchayats in Uttar Pradesh levied house tax and the Zilla Parishads levied circumstances and property taxes, in Gujarat house tax is levied, in Himachal Pradesh, Haryana and Punjab the same is done under Choodhar tax, these provisions have also operated in Karnataka in the Karnataka Act 1993 and the Bihar Panchayat Act 1993. In the second category local rate cess of land revenue is levied in U.P. Gujarat and Maharashtra rely on cess and stamp duty in land revenue and Punjab and Haryana through cess on state excise. Some of these provisions have been included in the new enactments. In the third category the money collected from different taxes such as land revenue, motor vehicles, etc. is turned over to different Panchayat Raj bodies. Under the 5th head, income from renting, leasing and selling of property is vested in the bodies. The state governments have been giving grants to the Panchayat Raj bodies as statutory, discretionary and developmental. In the Karnataka Act this is spelt out in detail. Among the new sources for funding the Panchayati Raj Institutions are the right to control the sale of sand, minerals and fisheries through taxation or surcharge on their sale particularly of cattle and agricultural products. From the above, it is clear the constitution of the state finances commission and the decision to create an infrastructural development bank

could be important contributors to Panchayat Raj finances. If there is a political will, this means that the commission instead of making the usual recommendations and effecting token increases should go into entire gamut of the present financial scenario of the local bodies, and make recommendations to effect increased devolution of power and flow of funds while at the same time plugging the existing loopholes. The first step in Tamil Nadu for forming the Infrastructural Development Bank for channelling credit to the municipalities was the merging of the Town and Country Planning Fund and the Municipal Development Fund with the Tamil Nadu Urban Finance and Infrastructure Development Corporation. It is to be hoped that the municipalities whose total receipt was Rs.219 crores in 1992-93 and whose total expenditure is Rs.212 crores plus Rs.63 crores in arrears to the state government and LIC for water supply will be placed in a position where atleast this kind of deficit can be met. The general feeling is that loan assistance to weaker municipalities together with grants and subsidies will enable them to provide the answer to the malady of financial shortages. It is for this reason that the Commission is looked forward to with hope.

During the month also there has been a reform of telecom policy. This provides foreign equity participation of 49 per cent, setting up of a regulatory body and granting of licenses on the basis of circles. This Basic telecom services sector has now been opened to the private operators, with the government allowing entry of Indian registered companies in the field, with a maximum of the previously mentioned foreign equity of 49 per cent. It has also decided to license one private operator as competitor to the Department of Telecommunication in each telecom circle. This is also the end of the 100 year old monopoly of the Department of Telecommunication so that subscribers will now have an opportunity to choose between the Department and the private competitor all over the country. The Department has circulated a

draft note on the Telecom Regulatory Authority of India for the consideration of the cabinet. It is to be an autonomous agency, setting technical and operational standards for operators, regulate the telecom tariff and formulate revenue sharing arrangements. It is important to see how far the Authority is able to promote telecom development on the one hand and protect the interests of consumers on the other.

Towards the end of the month, the government announced that after a careful study it has ruled out a proposal to tax foreign exchange inflows as suggested by the RBI in its 1993-94 annual report, as it will send wrong signals about the government going back on tax reforms. Foreign exchange reserves stood at \$17.8 billion at the end of the month. The government states that it is interested in direct foreign investment inflows and foresees that any tax levied on them would not only slow down the inflows but also affect the creditability of the country's economic policies. In this connection it is to be noted that the department of surface transport reports that foreign investors have offered to invest \$50 billion in the development of road transport. The proposal for over 16 per cent rate of return on foreign investment in this sector and 20 per cent rate of return to Indian investors should be noted as this is an important and path breaking development.

Agriculture

The perspectives on agriculture are bright. The monsoon during the year has been bountiful, the reservoirs have been filled and despite the floods in several parts of the country, the perspectives are positive for a bumper kharif crop which has a target of 97.72 million tonnes. In particular the kharif crop in the rice bowls of Punjab and Haryana is poised for a bumper harvest which is estimated to reach 770 lakh tonnes.

This is in addition to the 132.6 lakh tonnes of rice helped by FCI as on July 1. An important and related development is that the Commission on Agricultural Costs and Prices has suggested after years of big jumps in procurement prices from Rs.225 per quintal in 1990-91 to Rs.350 per quintal in 1993-94, a modest rise of Rs.10 for wheat procurement in the next rabi season. This means wheat prices will be Rs.360 per quintal against the demand of Punjab and Haryana for Rs.400 per quintal. The rate recommended by the CACP is below world prices but will equal or surpass them if transport and other costs are included. What is meant for wheat exports perspectives remains to be seen particularly in regard to non basmati rice exports as well as wheat exports which have had the minimum prices waived. The cereals prices level is also important as a means of taming inflation and for this the CACP recommendations should be accepted. It is estimated that the country would require Rs.20,000 crores of agricultural credit and another Rs.25,000 crores of short term production credit in the rural sector in the coming financial year. NABARD regards this credit as playing a crucial role in augmenting the current level of agricultural production to over 200 million tonnes by 2000 AD. Another important development is the setting up of 9 model floriculture centres by the union government at Punjab, Calcutta, Lucknow, Bangalore, Pune, Srinagar, Trivandrum, Gangtok and Madras. Similarly centres are being set up in the private sector. The objectives of these centres are to collect and conserve commercially important varieties of major flower crops of the region, arrange for large scale multiplication of the plant material and organise training and demonstration different aspects of flower production. If these centres are to act as model units of promotion of floriculture in the region, short term programmes should be carefully phased and not rushed which may result in a collapse of some of the centres.

Research

During September 19 research reports have been tabled with the following breakdown: cereals 5, animal husbandry 5, vegetables 4, oil seeds 2 and fruits 3. This comes at the end of the kharif season. On plantation crops, the minister of state for agriculture points out that plantation industry has not so far benefitted from the economic reforms programme and for this it must be free from all controls and regulations. The minister's hope should be concretised in governmental decisions. He was presiding over the annual meeting of UPASI which he pointed out employs 9 lakh workers directly and an equal number of indirectly, with a turn over of Rs.2300 crores and a foreign exchange contribution of Rs.800 crores. The industry needs to improve its productivity which is a rather low 1700 kg per hectare. He also called on the industry to take full advantage of the boosting of the centre investment for horticulture from Rs.25 crores to Rs.1000 crores. The Plantation Management Institute he stated will continue at Bangalore and would too due course be moved to Assam. On individual crops, in regard to coffee the accent is now on exports which involves removal or review of the cap on export permits, modification of upper limit of export orders, restrictions on banned grades and on free sale quota. Both the planters and the government state that they wish to develop a plan of action for revival of the sluggish domestic market for coffee and to strengthen the coffee users base which is threatened by the other beverages like tea and soft drink concentrates. The UPASI paper on this issue which calls attention to the annual 3 per cent decline in coffee use seems to overlook the major factor to account for this anomaly, namely the continuing rise in coffee prices. With regard to tea, it is in many cases replacing coffee in the domestic market because tea prices are declining. The slump in tea prices is attributed to the series of good monsoons leading to over production along with the declining overseas de-

mand, following from the breakup of the Soviet Union. There is need to stabilise tea prices so that the tea growers are not discouraged. In regard to rubber, the sustained rise in prices of natural rubber from Rs.24.9 a kg in February to Rs.40 a kg is welcomed by the rubber growers but is pressing hard on rubber users who are agitating for liberalising imports of rubber. As of now rubber imports are under licensing control and also carry a 25 per cent duty. With prices ruling firm in the international market, there is a case for duty free imports. The user industry should involve itself in rubber cultivation, particularly in non traditional areas, and the use of waste land for rubber cultivation should be explored as part of a long term strategy. Further, this kind of trend of rising natural rubber prices should be used for going ahead with the long delayed integration of synthetic rubber use in the tyre industry particularly.

Industry

As noted earlier, industrial growth is now looking up. It registered a 8.7 per cent increase during May 1993 against the record in May 1992. The average index from April to May stood at 224.5 which is higher by 7.8 per cent in the corresponding period of last year. In fact the Confederation of Indian Industry is optimistic that the industry will achieve a high growth rate during the current year as all the major sectors are showing positive signals in April 1994. The index registered a growth of 8 per cent including a growth of 8.7 per cent in the manufacturing sector. This is the first time that the growth of manufacturing sector have surpassed the industry growth rate in the post liberalisation era. Engineering goods led this increase by a growth of 14.4 per cent, capital goods recorded a growth of 24.3 per cent, transport equipment by 20.2 per cent, basic goods by 4.8 per cent, intermediaries by 6.3 per cent, consumer goods by 3.8 per cent, consumer durables by 17.6 per cent. The small scale sector which accounts for Rs.4500 crores of

the total outstandings of bank credit reflects the sickness in that sector. This is recorded because of the important role which the small scale sector occupies in the industrial field. RBI, SIDBI and SBI all emphasised the need for transparency and objecting in the generous lending policy to the small scale sector. Its use of credit, however needs streamlining.

In regard to sugar output, like last year the union ministry of food and civil supplies forecast a production figure of 122 lakh tonnes for the coming sugar season. The Civil Supplies ministry estimates a lower production level of 102 to 106 lakh tonnes, which would be a bleak situation repeating last year's experience. The sugar industry itself estimates that its production will be 118 lakh tonnes. In this context, it is very important in order to avoid another sugar scandal that sugar production should be carefully estimated and give every encouragement for growth.

The first private sector export processing zone has been approved at Surat, Gujarat. The diamond and gems development corporation is setting up the centre depending on the results of the evaluation of EPZs. This private sector initiative should be welcomed and encouraged to grow.

An industry which has been growing even during the recent recessionary period is the automotive components industry in which Rs.1100 crores is being invested in new plant and machinery. This will mean capacity upgradation which is the prime concern for the year and a boom in the domestic market which will continue as many new entries have confirmed their entry into the market. A 100 per cent growth in medium and heavy commercial vehicles, 29 per cent in air conditioners and refrigerator, 28 per cent in fertilisers, and +10 per cent in 10 other sectors mark the first four months April to July 1994 production. Whether this will compensate a decline of 45 per cent in steel exports and negative growth rates in ferro

alloys (-13 per cent), sugar (-8.3 per cent), railway engines, instrumentation and conductors will be seen at the end of the year. The highest growth rate has been recorded as noted above in the automobile sector, whose weighted average growth rate was 29 per cent.

Investment proposals from Indian entrepreneurs have begun to show a declining trend in the third and 4th year of the post reform era. The number of industrial entrepreneurs memorandum and the investment in them fell sharply. The industry ministry used this as a pointer to the need for the industry to respond to the reforms with full vigour. In the first year of the new economic regime the 3034 memoranda recorded a proposed investment of Rs.76,300 crores, in the second year 4860 units proposed an investment of Rs.1,51,900 crores but in the third year the proposals dropped to 4456 and the investment by half to Rs.64,000 crores. For the 4th year the first seven months has involved 2464 proposals with an investment of Rs.46,000 crores. The industry ministry attributes this slow down and moderate growth to the units facing fiscal and monetary constraints which though removed have not resulted in a vigorous response. The result has been a declining trend in employment generation also, in the first year employment was expected to generate 7,94,000 jobs, in the second year 9,23,000 jobs, declining to 7,33,000 in the third year and in the 4th 4,339,000 up to July. The industry ministry also calls attention to the gross fixed capital formation as proportion of GDP declining from 23 per cent in the first year to 21.3 per cent in the second year and likely to be repeated in the 3rd and 4th years. This is because both in the public sector and household sector capital formation recorded negative trends, the growth in the private corporate capital formation which RBI estimates at 15.5 per cent or above 10 per cent in real terms in the current year does not offset the negative growth in other sectors. The empowered committee on foreign in-

vestment reports at the beginning of September that the setting up of a joint venture holding company by BPL with Somya Electronics company of Japan was cleared, together with two proposals for Euro issue amounting to \$71 million. The committee thus has cleared a total of 32 proposals involving direct foreign investment of Rs.300 crores and export earning around Rs.700 crores.

A RBI study on inter state industrial investment by the term financing institutions concludes that Gujarat attracted the highest industrial investment during 1993-94 at Rs.10784 crores for 125 projects, representing 30.2 per cent of the country's total. Maharashtra follows with 225 projects for a total of Rs.6297 crores (17.7 per cent). next comes U.P. with Rs.4167 crores for 68 projects and a share of 11.7 per cent, next is A.P. with 78 projects involving Rs.3209 crores (9 per cent), M.P. 55 projects Rs.2878 crores (8.1 per cent), Tamil Nadu is in the 6th place with 179 projects involving investment of Rs.2098 crores (5.9 per cent) followed by Rajasthan with 47 projects for Rs.1448 crores (4.1 per cent), Punjab with 94 projects for Rs.905 crores (2.5 per cent), West Bengal with 51 projects for Rs.603 crores (1.7 per cent), Karnataka with 16 projects and Rs.601 crores (also at 1.7 per cent). Then follows Haryana, Orissa, Delhi and Goa. Subject wise, the chemicals and petro chemicals group with 185 projects of Rs.11644 crores recorded the highest share of 32.7 per cent, followed by metal and metal products with 114 projects of Rs.6567 crores (and a share of 18.4 per cent) and textiles other than jute with Rs.3381 crores of 9.3 per cent share. The study brings out the fact that these three industries together accounted for 60.6 per cent of all projects sanctioned during the year. Purpose wise, the study shows that the companies approached term lending institutions with 3435 new projects for Rs.20172 crores being 56.6 per cent of the total. The note also points to Gujarat topping the list during the last three years.

According to Gujarat government, these institutions had a cumulative sanction of Rs.19061.4 crores in the last three financial years. It also topped in per capita assets sanction by all Indian financial institutions and was at the top of the number of industrial entrepreneurs memorandum. BIFR recommends the winding of six central public sector undertakings, whose losses during the past five years amount to Rs.380 crores. It also recommends the winding up of 5 state PSUs. This is only the tip of the ice berg as the loss making units are minimum. It may be noted that the country's private sector is setting up new units with a total capacity of 5.92 million tonnes of satellite steel at an estimated cost of Rs.11735 crores expected to go on line from 1994 to 1997. 90 per cent of this new capacity will be for flat steel products, hot rolled coils, which indicates a change in steel product bits. The steel ministry reports that projects of six companies - Lloyd Steel, S.R.Gujarat, Indal strips, Malvika steel, Nippon, Dendroi escoi, Gindal Vijayanagar steel, have been cleared by the financial institutions. The other point to note is the statement of the minister of state for labour that the formulation of an exit policy as an issue has slipped down in the Agenda of the industrialists. Compared to the initial days of economic reform, the present focus is on infrastructural development as seen in the views expressed by foreign delegations and meetings with Indian entrepreneurs.

Foreign Trade

The government reports that exports growth for April to July has fallen to 8.26 per cent compared to 9.49 per cent in the period April to June. The declining trend has been continuing since April when after recording a growth of 12.64 per cent. It slipped to 9.66 per cent in April to May. In absolute terms the exports for the April to July 1994 period is higher at \$7487.11 million as against \$6916.09 million during the same period last year. According to the ministry statement

the compound growth of exports for April to July 1994 over that period in 1992-93 was 17.3 per cent and over that period in 1991-92 was 12 per cent. Imports during this period is estimated at \$8081.84 million as against \$7354.08 million of last year which was a growth of 9.9 per cent. The compound growth rate for this period compared to that period in 1992-93 was 3.4 per cent and compared to 1991-92 was 9.8 per cent. Among the factors responsible for the export performance during April to May 1994 are: inflation of around 10 per cent, high interest rates compared to OECD countries, industrial recovery and rise in domestic demand, withdrawal of the IPRS affecting exports of lower value added engineering goods, dumping of textile goods and leather items, and higher face value during 1993-94 due to build up of exportables in the first part of the year. The disappointing April-July export performance is less than a third recorded in the corresponding four months of last year and is well below the import growth rate. As of now the revival of exports seems unlikely while the acceleration of imports associated with industrial recovery is certain. With the crude prices rising abroad, the total import bill will be way above that of last year. Of the near \$18 billion held by RBI as foreign currency reserves, net of debt servicing and hot money inflows, atleast a half is available to tackle the trade deficit and for this year only a 4th will be used. The weakening of the rupee will make exports earn less and slow down their growth. Thus the rise in the trade deficit may well trigger a self correcting mechanism but there are disturbing signs. The sharp rise in non oil imports in April/July as a result of the reversal for the three year industrial stagnation and the revival of domestic demand seen in sales of TV sets, and cars and in houses will result in the exports of cement and steel falling. This gathering demand pull is retarding the export effort as is the rise of the crude prices. The government's move to cope with the growing trade deficit with fresh foreign currency inflows which the convertibility of the rupee on

capital account may make possible seems at present inadvisable. In this context the RBI task force on liberalisation of foreign exchange regulations should be noted. It has recommended free export of foreign exchange, freedom to foreign exchange dealers and transactions and unrestricted issues of securities in favour of non residents. There need be no RBI approval for acquisition of securities by non residents, regulation of operations on foreign companies, limited to those in which foreign equities are more than 51 per cent, no restrictions on practising of any profession by foreigners, while restrictions on acquisition of immovable properties by foreign citizens in India is to continue, delegation of powers to dealers to regulate current account transactions, simplification of rules in regard to divulging of foreign exchange received against exports etc. It also recommends the replacing of the Foreign Exchange Regulation Act (FERA) in view of the full convertibility of the rupee. On the occasion of the Prime Minister's visit to Singapore, major Indian and Singapore companies signed agreements on cooperation and joint ventures including the growth projects, the Blue Bay market foods, the Greaves Ltd, Ganpatroi Jalgopal, etc. NRIs also have the opportunity to invest in spot foreign exchange trading through a Liaison office established by Asian FX Ltd, where Singapore based trading operations are being carried out in India. At present only NRIs foreign corporate investors and individuals can invest in the operation by opening a current account in the Singapore office with a minimum deposit of \$10,000. Foreign exchange trading is done in lots, the minimum being \$100,000. The client is required to deposit only 1.5 per cent of the total amount. The development of this new enterprise needs to be followed very closely. The government announced that it recognises the need for removing quantitative restriction on import and reducing customs duty in a phased manner to make Indian industry efficient. This will mean a reduction in the production of Indian idnsutry as the

government feels as an inescapable necessity if its aim of integration of India into the world economy is to be achieved. There is some question on the part of several economists about the priority of this aim. The department of small scale industries reports that the contribution of the small scale sector to exports was a record 34 per cent (Rs.24,000 crores in real terms) in 1993-94. The sector itself grew by 7.1 per cent between April/December 1993, the rate of industrial growth between April 1992 and March 1993 being 3 per cent. On individual items, handicrafts exports have registered an increase of 27.8 per cent in dollar terms during the first quarter of the current financial year. It increased to \$258.54 million against \$202.52 million of the previous year. The leading handloom item exports are art metal ware, wood wares and printed textiles, zari goods, imitation jewellery and miscellaneous handicrafts. This important sector can be further expanded.

Aid and Loans

An analysis of the finance ministry data shows that external aid utilisation during the current financial year is likely to be Rs.11,000 crores, which will be higher by 10 per cent than the 1993-94 actuals, but this is small when compared to the total quantum of undisbursed aid amounting to about Rs.73,000 crores. The increase reported is also miniscule being for the first five months of 1994-95 Rs.2199 crores against the previous year's Rs.1997 crores. Out of the total undisbursed aid of Rs.72,943 crores as on August 31, erstwhile use amounted to Rs.22523 crores out of the remaining Rs.30460 crores. The World Bank and other multilateral agencies accounted for 60 per cent, the remaining being the loans from bilateral agencies. The largest sectoral undisbursed plans are power and the social sector because they also receive the largest loans and aid. The World Bank reports \$1 billion loan to develop India's rural net work, involving construction of new roads and

expansion of two lane roads into four lanes. Germany has agreed to provide 8 million marks over the next four years to the Department of Electronics for setting up training centres in electronics test engineering at all major locations in the country.

Human Resource Development

Starting with regard to education, the Supreme Court has in its judgement interpreted the constitution and the law to the effect of every child in India has a fundamental right to education, free and compulsory, till he or she reaches 14 years of age. In the article 41 which reads "right to work and education and to public assets in certain cases", the state shall within the limits of its economic capacity and development make effective provision for securing the right to work, to education and to public assets in case of unemployment, old age sickness and disablement and in other undeserved cases. This declaration by the Supreme Court of education as a fundamental right for every child upto 14 years of age creates a door where till now there has been a stone wall, now we should knock at the door and enter the education world. On the other hand, India has the dubious distinction of having the world's largest number of out of school children (22 per cent) and adult illiterates (30 per cent). The target group of the Education for All programme in the country is 19.24 million children in the 6-14 age group (60 per cent of them girls) and 122 million adult illiterate in age group 15 -35 (62 per cent women). This quantification is important and challenging. In the area of literacy, as the focus on the government's literacy programme shifts to the difficult BIMARU states, "there will be less emphasis of the target chosen" and increased effort on the quality of learning. In future no more districts will be officially declared literate as well as all the exaggerations and excitements surrounding them, according to the Director General of National Literacy Mission. The literacy campaign according to him has now entered its

most challenging phase with the focus moving to the BIMARU states where 50 per cent of the country's illiterates live. The chief ministers of these states at a meeting in July have committed themselves to giving priority to literacy and this needs to be pushed in view of the fact that the four states are governed by four different political parties. The government plans to set up the country's first Maritime University as a deemed university as a first step. On this account, it is proposed to bring all existing maritime training institutions under a common society in order to supplement their short term courses by long duration ones which could impart all round knowledge as well as practical training. The government is proposing to make provision for imprisonment and the fine of Rs.1 lakh for those who float fake universities which was referred to in the last issue. UGC has submitted this proposal to the ministry of Human Resource Development and the ministry of Law, the 25 fake universities being listed in its proposal. Emphasises in regard to science research on cost effective solar energy projects are being given special attention. Efforts of the agency in this field which can be adopted for industrial purposes are directed to make the technologies cost effective. Though the cost installation is high, the technology is environment friendly and the central subsidy plus tax rebates and exemption from sales tax will help this development. A national CSIR laboratory in Madras has helped redesigning the axle frame for TVS Suzuki, two wheeler, Astro for more rider comfort. Its transmission like towers are in demand by corporate giants like Hindustan Motors, Mahindras, TISCO, L&T, while yet another unit, the regional centre of NML demonstrates its meteorological technology for Hindustan Copper. Thus CSIR laboratory interaction with the industry is leading it to develop these cost effective technologies. In another important instance of institute-industry collaboration with the object of helping industry meet its needs for skilled manpower, the Birla Institute of Technology and Science in

Rajasthan and the Central Leather Research Institute in Madras have developed a joint vocational science degree programme in footwear sciences and engineering called the Master of Vocational Sciences. The course is being conducted by BITS and will be operated with facilities and faculty available at CLRI. In regard to health, the union health department has reviewed the progress of the centrally assisted health schemes in Tamil Nadu and has noted that the performance of the state in all projects has been outstanding and can form a model for other states. It states that the state has made significant strides in achieving high standards of health care and wants this to be duplicated by other states. In the labour and employment area, the all round economic liberalisation during the last two years has not made a serious impact on employment generation. The number of unemployed persons has increased by 1.5 million during this period. The employment growth during the first two years of the 8th plan, which was the liberalisation period, has been lower than the modest target of 8.5 million new jobs per year set for the plan period. This is the government report which refers to employment having advanced at an estimated growth of 2.1 per cent in 1992-93 and 1.8 per cent in 1993-94 against the average rate of growth of 2.6 per cent to 2.8 per cent envisaged in the 8th plan. The additional jobs created are estimated at 6.14 million in 1992-93 and 5.6 million for 1993-94. Unemployment was thus estimated to have increased by 1.5 million during the two years as noted above. But the Planning Commission's latest estimates states that there has been an increase in the employment rate during the first two years of the current plan compared to the corresponding period in the 7th plan. This would imply a growth rate of 6 to 6.5 per cent per year during the remaining years of the plan in order to achieve the employment target of 3 per cent. Additional employment opportunities generated were 6.4 million and 5.6 million in 1992-93 and 1993-94. These conflicting data needs to be further analysed and reconciled.

International

World Economy

The serious problem of child labour referred to in the last two issues needs to be taken more seriously. The country's President has put this problem in perspective when he said at the Teachers Day function that "eliminating such exploitation is one of the major challenges of education". This along with the finalisation of the action plan on child labour announced by the ministry of labour which provides for the elimination of child labour from hazardous industries in the manufacturing sector should be ensured. In this connection a worrisome data is that the state governments sponsored survey in Kamarajar and Chidambaram districts of Tamil Nadu show that 80,221 children in the 6-14 age group were employed as child labourers, which is 5 per cent of the total Tamil Nadu workforce. Here the action plan also provides for a National Authority for elimination of child labour to be set up at the centre under the chairmanship of the labour minister. It is important that this festering problem should be addressed seriously and solved quickly.

The KVIC reports its plans for creating 2 million jobs in the next two years of the 8th plan for which it requires an institutional credit of Rs.5,600 crores. The new management of the commission is sure that it will get the credit support plus some budgetary support. The target established covers 50 districts under the special employment programme for creating 10,000 jobs in each district. As a result of the follow up of the economic reforms, the government is reactivating the regional minimum wage advisory committees which it hopes will lead ultimately to a national wage policy. These six regional advisory committees created in 1987 have not met since then. However with the spurt in industrial activity plus the increasing domestic and foreign investment, the urgency for uniform minimum wages is being felt to promote balanced growth of all areas within a region. Hence the committee is now being activated.

The World Bank forecasts, on the basis of its study of the impact of international interest rates on the economic performance of developing countries a modest rise in the rates. These rules out the probability of a large and prolonged increase in interest rates which would jeopardise the surge in capital inflows to developing countries and their growth prospects. The World Bank made its first soft loan of \$10 million to China to help more than 5 million students, 40,000 schools and 135,000 teachers over five years. This would counter the dwindling of state fund of education which the reforms have resulted in. School fees are going up and students are being charged for rental of desks and chairs to bicycle parking. This has resulted in children being pulled out of schools by the parents who cannot afford these increases. The World Bank states that its loan will be used to help poor, remote and ethnic minority countries to meet the national goal of enrolling 96 per cent of primary school age children by the year 2000. The World Bank and the International Monetary Fund annual meetings are taking place at the end of September and the results will be reported in the next issue. The latest world economic outlook of the IMF states that sustained economic recovery is possible if industrial nations avoid repeating past errors. The IMF document states that some of the lessons of the 1980s and 1970s have been learnt. There is a greater determination on the part of the governments and central banks to nip inflation in the bud. The IMF repeats its call on the world's well to do nations to curb fiscal deficits to reduce drain on savings and remove structural rigidities and urges that monetary policy reacts quickly to prevent future inflationary threats.

Unctad in its latest trade and development report however predicts the global output is

likely to grow by about 2.3 per cent in 1994, but warns that this is less than normal for a cyclical recovery and less than a sustainable long term growth rate. As far as the developing countries are concerned, it points out that the economy of East and South East Asia continue to advance rapidly, while growth in Latin America is slackening and in Africa is stagnating. In the developed countries it expects a 3.4 per cent growth rate in the US, that the recovery will continue to be slow in Japan and North Europe. It expresses serious concern over the continuing poor show of the world economy last year and warns that the world economy is merging from recession "at a much slower rate than is normal". An expert group of the UN economic commission for Latin America and the Caribbean in its study, "Surges in Capital Flow and Development, an over view of policy issues" warns that developing countries should not be misled by the surge in capital flows in their direction but to put in place regulatory and supervisory mechanism to prevent "speculative bubbles" from invading their financial market place. It points out that capital flows to developing countries like India come in three forms: from official aid, from credits of foreign direct investment and from international financial markets, which in theory are different but in practice are interlinked. It points out that the linkages between capital inflows are a deeply divisive issue - while some view the growing integration of financial markets as a sign of greater efficiency, other view the boom in capital flows as high risk speculation that threatens national sovereignty. They note that transnational corporations are the major source and avenue of FDI and allied technology transfers, and these are fact interlinked with the larger forces of liberalisation of financial sectors and capital markets in the developing world. It points out that while capital flows are valuable for economic development and integration into the world economy, finance markets are most imperfect in market economies. Hence an improved information, regulation of financial

sectors and broad macro management of financial flows, constitute a "public good" for which there is a shared role for both industrialised government on the supply side and the developing country governments on the demand side.

Cairo Conference

The Cairo conference ended with a broad consensus with regard to its statement which involved a great deal of give and take between most of the developing countries which were insistent on population control priorities and some of the Roman Catholic and Islamic countries led by the Vatican which were opposed to such controls. Thus what emerged is the best that could be established in the circumstances. This international conference on population and development which is a non binding conference with a non binding conclusion emphasises with the rights of women and their empowerment through education, better health and political equality. The highly publicised controversy over abortion and the use of contraceptives should not hide this important development. The conference could not reach agreement on the sore point of international migration involving the right of families to join the migrants. Its compromise programme of action calls for \$17 billion over a 5 year period but does not show how this target can be met. What has been offered by the developed countries is less than \$1 billion to promote family planning welfare.

IFC and Private Sector Expansion

The International Finance Corporation reports that last year it approved a record of \$2.5 billion in financing for private sector ventures in 65 developing countries. It states that its strong results for fiscal 1994 reflect the tiny dynamic growth of emerging markets and the wide spread acceptance of private sector development as a key to sustainable economic growth. This 15 per cent increase in IFC loans over that of the previous year

is in accordance with the World Bank's policy for promoting the private sector as the major engine of development. It reports on its success in such varied countries as Vietnam, West Bank and Gaza, Usbekistan and China. IFC which charges market rates for its services earned \$258 million in 1994 as against \$142 million in 1993. It reports that it focused in 1994 on infrastructure projects, supporting a global trend to turn over state run utilities, telecommunications and transportation to private companies. The main beneficiaries of this loan programme were Latin America, India and Eastern Europe. The other areas of importance was the help given to develop capital markets where investment amounted to \$579 million in 1994. These developments should be seen as supplemental and peripheral to the total development of the countries and should not be seen in isolation which is a temptation that needs to be resisted.

Other Items

Madras Craft Foundation

There was a meeting of the general body of the Madras Craft Foundation where the fairly rapid development of its Mahabalipuram site and the various structures in it were reviewed with suggestions for further development. The foundation is attracting considerably all India governmental and non governmental interest and resources, it needs to develop similar interest in Tamil Nadu.

Satya Nilayam

There was a four day seminar on the Philosophy of Education in Satya Nilayam which is the Institute where Jesuit Priests are being trained. At the opening of the seminar there was a review of the major principles involved in developing education which together constituted its philosophy. There were special

sessions on secondary education, technical education, higher education and particularly on literacy as part of the approach to the Philosophy of Education.

National Council for Industrial Harmony

There was an annual general meeting of the National Council for Industrial Harmony, which reviewed with satisfaction the year's programme of the Council and made plans for activities for the following year. The audited statement of accounts for 1993-94 was presented by the Executive Committee and entries by the Council. The Council is looking forward to the visit of its past president, now the Governor of Goa who will inaugurate a seminar on Labour Relations in the changed circumstances in October.

India International Centre

In the India International Centre the monthly panel discussion centred on the problems faced in the employment area under the economic reform programme now under way. The growth of unemployment in the last two years was noted and discussed at some length together with suggestions for its reversal. On the following day there was a seminar on Education, Health and Other Social Sectors which tended to be neglected in the economic reform programme under way. The means of giving these important social development areas their rightful place was discussed and a programme of action outlined.

Madras university Senate Conservation Committee

A meeting of the Committee looking into the urgent problems of stopping the deterioration of the Senate building which is now over a century and a half old was held at the end of September. The first issue to be urgently addressed is to ensure the stability of the Senate structure. For this the Central Government's Structural Engineering Research

Council (SERC) Madras region has been requested to survey the building and make plans for its structural stability. In the course of this, the other important areas such as the chemical input will also be dealt with. The finances are coming along slowly, over 50 per cent of the target of Rs.1 crore for the renovation of the building is now at hand. A technical committee which is in charge of the day to day planning and supervision of the renovation is active. The renovation committee decided that it will meet once a quarter, the next meeting being in December 1994.

Tamil Nadu State Council for Higher Education

The Tamil Nadu State Council for Higher Education had its quarterly meeting at the end of September where it followed up its decisions of the previous meeting concerning some uniformity in the fees charged by the universities, the time table for their work and their examination programmes. The main work of the committee is based on the recommendations of the advisory board of

vice chancellors which meet regularly and discusses and makes recommendation to the Council on the academic parts of the programme.

First Article

The first article is a paper on "Feminist Research Methodology from Women's Movement Experiment" by Martha Gladstone. This was a paper presented at the 24th research methodology workshop held at the ICSSR Southern Regional Centre, Hyderabad in June 1994.

Second Article

A paper on "Reduce and be Damned" on the theme of population and development in India by women's group appears as the second article.

Book Review

The review of the Book, "Patron Client Policies and Business in Bangladesh" appears in this section.

MIDS News

Mr.C.Annadurai presented a paper on "Critical Issues in PDS and the Need for In-depth Study" at the Golden Jubilee Seminar on Public Distribution System held at Hotel Saveria, Madras on October 7, 1994.

Mr.Hakan Tropp, Doctoral Scholar, Department of Water and Environmental Studies, University of Linkoping gave a seminar on "Role of Rural and Urban Pressure Groups in allocating water resources" on October 18, 1994.

Dr.T.N. Krishnan of CDS, Trivandrum gave a lecture on "Burden of Treatment and Poverty - Health Nexus: An Inter-State Comparison" on October 24, 1994.

Dr.S. Neelakantan delivered the Valedictory Address on "Trade and Development" at a Three-day Symposium at Arul Anandar College, Karumathur, Madurai on October 21,

1994; was a participant in the meeting of the Forum for Four-Fifths of Indian Economy conducted under the auspices of Centre for Research on New International Economic Order on October 29, 1994. He also gave a talk on "Institutions and Economic Performance" on November 5, 1994 under the auspices of the Working Group on Public Institutions in the Institute.

Dr.Paul P.Appasamy attended a workshop on Land and Water Integration in Natural Resource Management and presented a paper on "Obstacles Impeding Integration: The Case Studies from India" at Stockholm, Sweden on October 26, 1994. He also attended a Colloquium on Technology Assessment and presented a paper on "Environmental Sustainability of Technologies" at Anna University on October 26, 1994.

Feminist Research Methodology from Women's Movement Experiences

Martha Gladstone

Initiatives: Women in Development

1.0 Introduction

Over the last three decades women's movement have raised fundamental challenges to the ways social science have analyzed the social life of women and men. For many centuries the social science discipline excluded woman from knowledge system and the history is written from the point of view of man (of the dominant class and caste). The significance of this century is that the beginning was made through, women entering into social research. When women entered their research work was constrained by the immense pressure on them to make their research conform to what the dominant pattern of research, adopted in a particular style of thinking, analyzing and strategising.

The women's movement through its ups and downs has given to the field of women's studies a new perspective, new methodologies to analyze the social life of human. The research contribution made by Esther Bosrup 1975, followed by a series of contributions from feminists scholars and grass roots women's groups have strengthened the research perspective and methodology more action oriented.

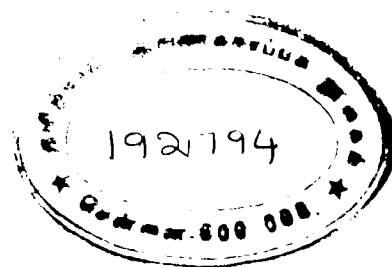
We need to recognize the efforts taken by a few members of women's movement to establish and strengthen women's studies into the existing activities of universities and research institutions. Feminist publications have gained movement and mobilized spaces in the libraries and book shops. This new thrust of adding women was an encouraging sign of the efforts of the movement. At the same time this has thrown up a number of theoretical questions

among feminists, for which no ready made answer is available in the existing system of academic work. The main problem that women's studies, universities and research institutions face on all fronts is the male bias or andro- centrist and male dominated more subtly in the choice of areas of research, in research policies, theoretical concepts and particularly research methodology. Feminists constantly struggle to bring light into the darkness they encounter specific methodological problem, because the prominent social science research methodology is mainly the quantitative survey method which is itself androcentric bias. This paper concentrates on :

- * Firstly critiquing the dominant research methodology being used in social science and women's studies.
- * Secondly it analyses the lack of methodological clarity while increased emphasis given on incorporating women into the research area.
- * Thirdly this paper proposes certain guidelines as alternate research methodology based on collective experience of women's movement which are action oriented and empowering processes and takes care of social and class differences between women.

2.0 A critique of dominant research methodologies

In India the history of women's movement begins in the early part of 19th century, attempted reforming the conditions under which Indian women lived. By early 20th



century women's own autonomous organizations began to be formed. Through pressure from liberal feminist and reformers equality between the sexes was guaranteed by the constitution of India. When the constitutional assurances neglected in the practical life of women a special category of activities emerged mostly urban based women organized against multiple forms of oppressions and discriminations against women forming organic links between feminism, Marxism anti communalism and anti casteism (R. Kumar 1993). Urban based educated women initiated researches on women's issues to provide substantial basis to prove gender discrimination and demanded justice and equal rights. The perspectives and methodologies adopted by women social science researchers in early seventies were welfarist which analyzed women's status within the role of mother and wives.

Shifts in emphasis and research approaches have much to do with feminists trends in current thinking on specific issues. The emphasis has sometimes been on human rights and social oppression of women, such as the issues of poverty, unemployment, inequality and strategies for survival or demands on equality in education, health, political and economic participation and other equal opportunities for development. Historians and ideologists investigated the position of women, mainly of the higher caste and elite sections of society. Culture and tradition were the given reasons for the deterioration in their status and the emergence of social evils like child marriage, sati, the general oppression of widows, parasite and illiteracy. To reform the status of women the reformist's had an ideology i.e. to change this oppression of women should be given equal opportunity in education and legal status. Through this they aimed to change the Indian dehumanizing culture.

To reflect on the perspectives research methodology adopted by the conventional

researcher to gather information was more of a quantitative style. The research situation as such due to colonialism and neo-colonialism was a situation of clear dominance between research subject and researched object which tended to lead to distorted information. The dominant research methodology viewed women as a target group for research. Another important factor the emphasis was to include more women researchers to research on women's issues but adopted predominantly dominant pattern to gather information. Academic researchers used this as more of employment opportunity. Equal opportunity given to women scholars but as scholars they shared the privileges of the male academic elite. They practiced male perspective in the research. Women were added to the ongoing academic research as practitioners and participants (Harding, 88).

In the dominant research approach while studying women's questions women researchers were expected to suppress their emotions their subjective feeling of involvement and identification with other women in order to produce objective data. This value free, neutral, uninvolved approach of our hierarchical, non-reciprocal relationship between research subject and research object certainly made or makes women constantly to repress, negate or ignore their own experience of sexist oppression and have to strive to live up to the so-called rational standards of a highly competitive, male dominated academic world. These methodological principles do not help women to explore those invisible areas of male domination and women's social history, women's perception of their own subordination and their own resistance (Mies). The dominant methodology has a vertical relationship between researcher and research objects. Passive involvement while gathering information denies actual experiences of women. Between 1970 and 1990 the dominant

development pattern had adopted welfare, equality and anti-poverty approaches to implement women's development program. Therefore the dominant research also shifted its position from welfarist and liberalist perspectives to integrating women into economic growth oriented development. There was a very little awareness to locate women's oppression in the socio-economic and political structures of society. In the integration approach the demographers interests are women concentrated on population growth and sex ratio. The problem of population growth had direct links with nations economic growth. The view of the social scientists was in harmony with the general attitude of planners, which confirmed to program for women's education, health and welfare. Very little focus was made to other major status like employment, income, class, caste and gender variations in the structure.

3.0 Methodological problem of women in research

Liberal and Marxist feminists struggled in the women's movement to gain equal opportunities for women in the productive arena. Women employed in the public sector, continued the traditional roles within the household. The researchers viewed this problem as traditional and cultural and did not perceive the power relations and social differences between men and women. As stated earlier urban women scholars failed to note the rural women's economic contributions in the agriculture sector both quantitatively and qualitatively. In early nineteen seventies a few liberal and Marxists feminist researchers highlighted the double burden of women's role and unpaid and underpaid labor.

The nations development planning introduced modernization in agriculture and industries. A lot of social science researches have focused to assess the

growth and its impact on women in particular poor women. Following reports highlighted a few critical issues pertaining to women: "The report of the National Commission on Labor (1969) drew attention to the problems of wage discrimination and general oppression of women workers, particularly in the rural sector, and criticized government's failure to protect their health and working conditions. The report of the Expert Committee on Unemployment Estimates (1970), (which consisted primarily of social scientists) admitted, however, that apart from the limitations of quantitative data, the heterogeneous character of the Indian economy, the uneven rates of development in different regions and sectors, and the varying impact of modernization on different segments of the labor force posed serious problems in examining and assessing the dimensions of the unemployment problem. The Committee recommended that it was imperative to estimate different 'segments' of the labor force separately "taking into account such characteristics as religion, sex, age, rural and urban residence, status or class of workers and educational attainments". The 28th Round of the National Sample Survey, which followed this report attempted for the first time to estimate the size of women unemployment, and the Report of the Committee on Unemployment (1973) admitted that unemployment among women was of a far higher order than had been hitherto suspected" (Mazumdar and Sharma 1979).

The above researches were of two types: micro level studies concentrating on general features of socio, economic development, how sex roles performed and changes affected in their lives; second type of micro study is done on specific situation of women.

A new shift in methodological approach in Indian women's studies and particularly appointment of special committee to assess the status of women (1975) was the first

major attempt to use the methodology of data collection from a feminist point of view. The members from autonomous women's movement generated new perspective to analyze the status of women in India. Women's movement during this period got organized strongly in many places all over the country. Peasant women particularly Telingana movement gained our significant support struggled against feudalism. 1972-73 famine generated the shramik shakti Santhana movement and struggled to get more famine relief. Among the laborers women apparently played the most militant role and as movement, strengthened women began to take up gender based issues such as wife beating and protested against alcohol vending. In Gujarat Textile Labor Association, Self Employed Women's Association of the organization of women who worked in different trades in unorganized sector defined development as freedom from exploitation, assurance of regular work, access to opportunities for advancement. In Bombay feminist movement organized anti-price rise agitation. The progressive Organization of women in Hyderabad attacked the two primary structures of women's oppression: (1) the sexual division of labor (2) the culture which rationalized it. Through this they attacked on the base of economic dependence and private work at home.

Interestingly in the late seventies feminists movement with all its differences in operational term in taking up women's issues got organized and evolved a common ideology and socialist feminist movement began. Split in groups set up different forums to work against oppression of women and patriarchal domination reflected through dowry harassment female infanticide, foeticide, custodial rape, denial of property to women. Women researchers analyzed and collected data from women's experience. Still the research approach neither empowered women nor generated awareness among the rural, uneducated poor women

about their status. Information gathered enabled the welfare department research centers and policy makers aware of the discriminatory, unequal status of women in society. For example Shram Sakti report by the special committee on status of women attempted to review and evaluate data to analyze women's roles, rights and opportunities.

Feminists researchers involvement with the women's movement activities have reflected in the research findings both in quantifying and qualifying the gender discriminations and demanded gender justice in policies. The researchers (women) distance from the researched object got narrowed while gathering information as objects of oppression in their own life and they were able to perceive the motives of oppressors.

Due to this inner view of the oppressed women social scientists are better equipped than their male counterparts to make a comprehensive study of the exploited groups. Men often do not have experiential knowledge and therefore lack the ability for identification and sociological identification. If women social scientist identify their experience of sexist discrimination and their rebellion against it as a starting point, they first become critically aware of the dominant research concepts and methodology. Therefore while preparing the women's status country paper the members of the committee were grappled with a few questions such as: "why women's contributions in social, economic and political been shrouded in mystery? Why women's concerns seen by the planners as welfare rather than development? What are the historical and ideological dimension of women's status in India? Are the empirical dimensions selected by the researchers to analyze the proper indicators to know the actual status? Are they applicable to all women?" (V. Mazumdar)

The conceptualization of these problems challenged the researchers in

the area of social science. This conceptualization did not question the methodology adopted and obviously the researcher played a subjective role. The disturbing factor to the members of the committee about the status of women in rural poor and unorganized labor sections projected in the form of declining sex ratio, low life expectancy, higher mortality, declining work participation, increased migration of women, increased dowry death and sex trafficking of women. The view of the committee members was that the status of women is moving to opposite direction.

This research findings had an influence from women's movement perspectives and suggested recommendations for further research. Based on the recommendations of the committee ICSSR adopted with following objectives:

- "(1) generation and analysis of data in order to uncover significant trends in patterns of social and economic organizations which affect women's position in the long run;
- (2) development of needed new perspectives in the researcher, particularly through clarifications of concepts like the family, household, women's work, economic activity, productivity."

(V. Mazumdar)

The research program recommended to give more focus to poorer sections of society and different sections of the poor and regional variations. It used problem identifying approach to change the policies in favor of women. Perspectives adopted in the later studies have given vividly declining job opportunities in organized sector, over work burden (unpaid labor) loss of decision making power of women in families. Over all the indicators prove that the development model made women underdeveloped. Those research findings and the international pressure to integrate women in development planning to reduce nations poverty

size, the efforts are taken to mobilize women's role efficiently. This has generated good amount of opportunities and interest in women's studies and the research for policy to expand opportunities for women in the economic sphere. However, women's status in the social area such as leadership and decision making did not appear in the research topics of mainstream development.

The research procedures have changed in the process of collecting factual information and changed its perspective but methodology adopted are still questionable as per socialists feminists perspective, this approach did not question power relations, value premise. Therefore research findings used inappropriately by the policy makers to suit their perspectives taking it away from its context. For example feminization of poverty was cut down to a small size as against the reality. There is more to feminist research than work done by and about women. In the second position women get separate mention but maintains their marginal position as researched object. The researcher is in the central position showing indifferent, disinterested alienated and ratified attitude towards the research objects.

Feminist research methodology

Feminist research distinguishes gender between biological sex and socially constructed gender and places the social construction of gender at the center of ones enquiry. Feminist research perceives gender as a basic organizing principle which shapes our consciousness, skills, and institutions as well as in the distribution of power and privilege. The ideological goal of feminist research in the human science is to correct both the invisibility and distortion of female experience in ways relevant to ending women's unequal social position this entails the substantive task of making gender a fundamental category of our understanding of the social order to analyze

the society and identify women's place (Lather 1988, 571). As per Krishnaraj a feminist perspective in women's studies means "to become aware of the situation of women, of the relation of women to the world of the oppression and dissemination to which women have been subjected and to use this as a power to change the situation".

In India feminist groups, grass roots women's organization, forums and networks multiplied since 1975. Women's movements have changed its perspectives and research methodologies in the long process leading towards women's empowerment. Research methodologies are being evolved constantly by social activists and researchers. The feminist researchers call for a change of the vertical relationship between researcher and research objects, the view from above must be replaced by the view from below. The beginning of the process gets reversed. Dominant research methodology so far has been largely an weapon of dominance and legitimation of power elites, must be put to serve the interest of dominated, exploited and oppressed groups, particularly women. The view from below has both a scientific and ethical-political dimension. Only if women's studies deliberately made part of the struggle against women's oppression and exploitation, can women prevent that the theoretical and methodological innovations being misused.

Mies suggests "the contemplative uninvolved spectator knowledge must be replaced by active participation in actions, movements, and struggles for women's emancipation. Research must become our integral part of such struggles. Women's studies should not be reduced to a purely academic concern attached to research institutions, instead, it must remain closely linked to the struggles and action of the movement. Women scholars who desire to do more for their poorer sisters must take their studies into the streets and take active part in the social actions and struggles of the movement. The integration

of research into social and political action for the emancipation of women the dialectics of doing and knowing, will not only lead towards better praxis but also to better and more realistic theories. As per this approach the aim of this research is not something static and homogeneous but an historical, dynamic, and contradictory entity.

Participation in social action struggle demands changes in the personal attitude. This means if one wants to apply these principles in the research of women, the researcher should begin fighting against women's exploitation and oppression in order to be able to understand the extent and different dimensions the forms and causes of this patriarchal system. Application of proper methodological techniques will bring about social change.

A few feminists scholars propose that the research process must become a process of conscientization, both for the so called research subjects (social scientists) as well as for the research objects (women as target group). The methodology of conscientization was first developed and applied by Paula Pereira in this problem analyzing method. In his method the study of an oppressive reality is not carried out by the experts but by the objects of the oppression. People who were so far objects if research became the subjects of research and action. People based research becomes the action oriented research.

Maria Mies takes one step further and argues that the collective conscientization of women through a problem-formulating methodology should be accompanied by the study of women's individuals and social history. In the history of women's movement women actively participated in the freedom struggle but when they demanded equal right to vote, women could not integrate collective consciousness for themselves, those changes for which they have actively fought. Theoretical understanding

of equal rights and legislative changes did not feed into the activities of the larger women's movement. Women were not aware of an historic continuity of their own struggles and did not become part of their collective consciousness because women were not enabled to appreciate their own history as 'subjects'. In the later part of the history when women realized their collective consciousness through a few activists intervention the struggles for consciousness became successful.

The appropriation of women's history can be promoted by the feminists researchers who can become part of the collective and enable them to document their campaigns and struggles. The social action combined with social research can be put to practice if the main motive is to sharing of experience rather than a systematic study. While applying action research method certain guidelines need to be applied to make it an empowering process.

In this process together researcher and participant trying to understand the cause of problems and the group owns the information. Researcher role turns to be the facilitator role to assist people to further develop skills in collecting, analyzing and utilizing information for transformation.

Feminist groups have used three kinds of strategies using the above methodological processes to attack the causes of gender issues and empower women.

1) If it is not a problem create it.

The action groups of women's movement politicized the issues of violence against women which was perceived to be women's problem and private/personal area. For example a 17 year old Mathura rape case united once again the whole members of women's movement in 1980 to come to the streets to demand changes in the rape act, when four senior lawyers sent an open letter against Mathura as a loose woman.

The rape occurred in the police station of Maharashtra. Forum Against Oppression of Women organized the women's groups and campaigned on March 8. Mathura also was part of the process to demand justice. In several cities it was week long protest of role plays, posters, signature campaigns demanding justice for women in general and Mathura in particular and demanded changes in rape law. The process lead women to bring to the light number of rape cases. We cannot say there was changes in the attitude of men towards women but the process empowers women's collectivity to fight against injustices. The women's groups created the problem when the issues were swept under the carpet. Active researchers should be a problem creators, and facilitate the groups to evolve their own strategies of empowerment.

2. Egalitarian involvement by the group members including researchers.

Formal and informal hierarchies will split the groups unity and goal cannot be achieved. Change in rape law was one of the objectives of women's groups. All differences shelved aside and joined together to fight against rape issue all over the country. To achieve this the roles were shared equally. To build up the collective strength in any group every member should take responsibilities for the progress of the movement. Egalitarian processes in the decision making (collective decision) will strengthen the groups collective efforts.

3. Participatory Processes in Action Research.

Participatory action research will create awareness through a process of analysis of socialization of structure and gender differences. Here the group

members should integrate themselves sharing their experiences to the analysis. Extended arm of a large women's movement function in small forums and networks all over the country. These forums periodically meet and reflect such action process to document the life experiences of women both failure and success stories. Ultimately this processes create spaces for women of different class, caste, ethnicity to share. Several groups in India have experienced as a successful process provided when they practiced right value premise. Number of stages of experiences have been documented by groups like See Shakti Sanghatana and Telagana movement.

Such action oriented researches enabled the participants to experience the following:

- Question the gender division of labor within household and at work.
- Question unequal wage pattern and demanded equal wage for equal work.
- Demanded equal access to and control over both material and ideological resources.
- Gained power over oneself and one's own body, sexuality and fertility.
- Demanded freedom of mobility to access to work and market; etc.

The process of empowerment should lead to achieving the above rights by women. The stages to achieve their rights will vary from group to group as women's groups differ from class, caste, religion, age status.

Conclusion

This paper has analyzed the research methodologies and perspectives adopted by the researchers and argued that feminist research should be gender sensitive, and take collective action adopting participatory processes. The conventional dominant research approaches establish hierarchical relationship and researcher views women's problems from a distance. The purpose of the researcher was academic and task oriented effort. Information and knowledge obtained through research remains a researcher's property. Biased information becomes a basis for generating biased policies against women. Feminist research approach is being evolved through various struggles of women's movement through lessons learnt from failure and successful experiences. The proposed feminist research methodology is being tested at various situations by small and large groups, both activists type of groups and autonomous women's movement.

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Reduce and be Damned: The Politics of Population and Development in India*

- 1 The debate on what has come to be characterized (unfortunately) as the 'population problem' in this country has now taken two distinct lines depending on the ideological proclivities of the debaters. The Draft National Population Policy and its supporters have posed the problem of an unimpeded population growth in terms of its implications for growth with development and equity. The report assumes that uncontrolled population growth is the chief obstacle to development and that it comes in the way of ensuring a better standard of living and better health care for the people of this country. It assumes that the land-people ratio and the optimum carrying capacity of our planet ought to be discussed in the context of ever growing numbers of the poor.

The critics of the Draft National Population policy, particularly most of the women's groups, reject the above understanding of our current situation. It seems to us that the attention given to population growth as a major cause of India's economic problem has ignored the extent to which India's development model adopted since Independence is responsible for its severe economic crisis. This model can be characterized as growth with inequality and the decade of the 80s has been really high growth with high inequality. While the report lays great stress on North-South inequality, it is reluctant to address the problem of growing economic disparity within the

country and the long term ill effects of the new and evolving economic policy which is certainly not pro-poor, pro-environment or pro-women. It is also important to recognize that the "ever teeming millions" pose a problem not in terms of their numbers but because they constitute an expanding constituency of the poor, the malnourished, the diseased and the deprived. Unless the deprivations of these evergrowing millions are addressed in terms of a better quality of life for them, concerns about population growth will remain a malthusian horror. In this context it is worth reproducing the statement made by groups around the world at the PrepCom II:

"The population issue cannot be considered in isolation, but should be related to the issue of resource use and wastage as a whole. The North, with 20% of the world's population, uses up to 80% of global resources and is responsible for 80% of pollution that causes the Greenhouse Effect, ozone loss etc. The North with one billion people consumes 16 units of global resources (since Northern per capita GNP is 16 times more than the South's). The South with 4 billion people consume only 4 units of global resources. Thus, the important equation is not so much that "4 out of every 5 people live in the South" but that "4 out of every 5 units of resources consumed are consumed in the North". Even if population growth went to zero in the South, only 20% of the environment problem would be solved because the North (and the Southern elite) would still be using up 80% of the global resources."¹

- 2 India's development model has failed to create social and economic conditions

* Extracts of a note received from Women's Groups in response to the article on "The Draft National Population Policy" published in the October issue of the MIDS Bulletin.

that favour fertility decline. Skewed and unequal land distribution patterns uneven industrial growth, growing unemployment and under-employment, in short the structural inequality that underpins our economic system and the social inequality that marks our society are factors that have made for a high fertility rate. The report does not take cognizance of these factors and does not seem to think they are important in evolving holistic solutions to development and fertility control. It is tragic that the authors of the Draft National Policy should fail to explicitly integrate population into economic and development strategies; it is worse when they ridicule those calling for such integration by passing remarks such as the following:

"There is often a widespread urge to 'integrate' population policies with development policies, often with an implied presumption that the success of the former is inextricably linked with the success of the latter. In recent years the concept of integration has acquired a certain amount of halo or sanctity, similar to motherhood."²

- 3 While the report refers continually to a holistic and 'comprehensive' approach to health, this approach does not go beyond conventional maternal and child health care. While it adds to the list of health services for women it is nearly silent on the evolution of a total health programme. The report's integrated approach is manifest only at the level of bureaucratic reconstitution and scant attention is given to expanding primary health care and to training a more professional, sensitive and accountable health work force. Further the current renewed emphasis on population control, given past experiences, suggests renewed external pressure, and recent happenings confirm this. "For instance, despite cuts in most areas of public expenditure, including health, the government's budget for family planning has increased from Rs.3200 crores for the

five year period 1985-1990 to Rs.1000 crores for the one-year period 1992-1993. The UNFPA has increased its assistance from US\$52 million for 1985-90 to US \$90 million for 1991-95. By 1995, the population growth rate is to be reduced from 2.1 per cent to 1.76 per cent, and the crude birth rates from 30.5 to 26.7 per 1000 population. The use of contraceptives is to be increased from 43.3 per cent to 53 per cent. US AID has given financial assistance of US \$325 million for decreasing the total fertility rate in Uttar Pradesh, the state with the largest population and highest fertility and mortality levels, from 5.4 to less than 4, and increasing couple protection rates from about 35 per cent to 50 per cent by the year 2000. This is the largest programme of foreign assistance for reducing population growth rates that the country has ever embarked upon."³

- 4 The report refers continuously to the empowerment of women. How is this empowerment to be brought about? Much noise has been made about the doing away with **targets**. While the abominable practice of setting targets for the administration of particular fertility control measures certainly needs to be done away with, there is need to lay down quantitative goals particularly in three areas that are mutually supporting and of critical importance to the achievement of other important population and development objectives. These areas are:⁴ education, especially for girls; Infant, child and maternal mortality reduction; and the provision of universal access to family planning and reproductive health services. The authors of the Draft could have displayed their **political commitment** to the empowerment of women by, for example, accepting the goals set by the World Summit for children, held in 1990, namely, a reduction in infant and under-5 child mortality rates by one third, or to 50 and 70 per 1000 live births,

respectively, whichever is less. We do not need to labour the point that "child survival is closely linked to the timing, spacing and number of births and the reproductive health of mothers. Early, late, numerous and closely spaced pregnancies are major contributors to high infant and child mortality and morbidity rates, especially where health-care facilities are scarce. Where infant mortality remains high, couples often have more children than they otherwise would to ensure that a desired number survive".⁵

The report is virtually silent on the growing feminisation of poverty in India. Its reference to gender equity and to free and informed choice for women merely reflect the report's uncritical and deliberate assimilation of the vocabulary of women's groups and women activists. Apart from stating that the new policy will work to check the shifting of the burden of family planning on to women and aim to foster a "culture of joint responsibility of the couple", the report nowhere alludes to the problem of women's status as such in the family, the dynamics of control, domination and violence against women which characterize the working of the family and the lack of access to an independent income, that most women suffer. The report is also silent on the use of coercion and consent, of economic power, and cultural authority within the family to secure and perpetuate the subordination of women. It is clear that unless a working model of the various types of families and their dynamics is posited, notions of "joint responsibility" cannot simply be realized in practice, nor can policies and programmes be sufficiently sensitive to the needs and rights of women and children.

- 5 The report envisages a major role for panchayati raj institutions in the implementation of the proposed population control programme but its conception of these institutions and their viability is

severely limited. Panchayati Acts, as amended in the various States, have been examined, analysed and criticized by political observers, scientists and other concerned citizens. Questions have been raised about the financial viability and the administrative and political powers of even amended panchayats, and, studies have been carried out on existing panchayati raj institutions in particular States. But the report has not taken into account these debates and seems to be unduly euphoric about the possibilities of panchayati raj institutions. Neither has the report taken into consideration factors such as caste and economic status that are bound to influence the composition of panchayats. The report is also not clear as to the exact linkages that ought to obtain between panchayati and nagarpalika institutions, State governments and the proposed new Commission.

The report is equally silent on the impact of the new economic policy - with its centralizing tendencies, particularly in terms of transfer of resources to the states, - on the proposed process of decentralization. It is clear that unless the possibilities of a decentralized mode of working are considered in the context of the changes wrought by the new economic policy, decentralization will remain merely a formal (and fashionable) proposition than a substantive one. The report contradicts its own attempts to privilege panchayati raj by announcing that ultimate responsibility for implementing policy and making decisions will rest with a centrally constituted committee, namely, the Population and Social Development Committee (PSDC). Not only has the report not drawn out any broad, concrete guidelines as to the functioning of the PSDC with respect to the various decentralized levels of the polity but it has also not recommended any means/methods through which the

PSDC may realistically assess local needs and resources. Neither has the report specified as to how panchayat level representatives will be heard, heeded and made part of the decision making team at different levels of Government.

6 Certain details contained in the report are truly shocking:

- a) The report envisages measures such as consideration of age of marriage, adoption of small family norm, to be enforced in matters of recruitment to and promotion in government jobs. Besides, following the example of panchayat acts as amended in Haryana and Rajasthan it proposes to debar persons with more than two children from contesting elections to panchayats. These seem to be punitive measures that no democratic minded person can approve of. Besides, the example of these two states is unfortunate since lowered fertility rates there co-exist with adverse sex-ratio. It is also extremely unfortunate that, its democratic intentions notwithstanding, the report should thus imply that women of child bearing age - often the younger and more eloquent and politically alert of the village female population - should be disallowed from contesting elections. This not only discriminates against women but more realistically will put younger women in a double bind: if they have mothered only daughters, the family pressure to produce a son will work on them; at the same time the proposed disincentive through debarment will exert its own pressure. In such a context they may not be in a position to make use of the 30 per cent reservation allowed under the new panchayat dispensation.

It is difficult to understand how the report with its ostensibly pro-people image could endorse the freezing of the number of seats in the Parliament and legislatures. Not only is this patently undemocratic but it grants a lie to the report's insistence on "participatory" politics. The use of the term "political commitment" to describe the motivating factor behind the apparent success of the above mentioned and clearly primitive measures in Haryana and Rajasthan is ironic. The representatives of the Indian State need no special commitment to discipline and punish since these constitute tacit but unacknowledged premises of their working ethos. If the authors of the report had stressed on the importance of displaying political (and not merely administrative) will in matters such as ensuring that every child goes to school, that no child or adult labours in inhuman conditions, that women are not unfairly and routinely discriminated against, their intentions would have been laudable.

- b) The suggestion that military and paramilitary forces be used in promoting population control options is truly deplorable. In another context, Dr. Ashish Bose (a member of the present Drafting Committee) while lauding Tamil Nadu's "successful" demographic transition, referred incidentally to the Indonesian experience and concluded thus:

"The main reason for the success of Indonesia model is the excellent military-style logistics in running the programme. In India we have an overdose of democracy."⁶

What Ashish Bose did not reveal was how the military abused human rights in implementing family planning programmes in Indonesia. To quote Zeidenstein, who headed the Population Council for a number of years and

who in an essay describes the Indonesian family planning programme thus:

"Norplant has been administered in part by means of 'safari' - operations in which family planning personnel, accompanied by soldiers, enter a village, gather the populace together, and expound upon the advantages of family planning often with an implied threat that the village will be punished if family planning methods are not adopted. These safaris have historically played an important part in Indonesia's family planning programme, typically resulting in village women's mass acceptance of contraception - often of the one method being promoted at that particular moment by the government."⁷

While we are all for efficient and accountable procedures being evolved and implemented, we urge M/s Ashish Bose and Co., to concretely explicate how abuse of human rights such as the above will be dealt with and prevented in India.

- c) We are pained at the utter insensitivity with regard to women's health as evident in the report's comment on contraceptive use. Given the adverse side-effects and long term effects on a woman's body of existing contraceptives and, given the gender-blindedness of the scientific community, it is shocking the report should casually comment that no contraceptive is without risk. Even a quick documentation of the existing material on the functioning of institutes such as the Indian Council of Medical Research and the Family Planning Association of India, will bring out the callous and contemptuous manner in which these bodies deal with humans, particularly, women. For example:

"Although an Indian vaccine, developed by G.P. Talwar with support from the Popula-

tion Council, the Canadian IDRC and the Indian Government, has been tested on only 180 women, it is being billed by the Family Planning Association of India as "safe, devoid of any side effects and completely reversible". Even the scientific community knows that such assertions are patently false - for instance, many questions still remain about the vaccine's long term impact on the immune system and menstrual cycle. There is also documentary footage of women being denied information about the vaccine in clinical trials. Nevertheless, the Indian vaccine is being prepared for large-scale use".⁸

The problem instead is being posed as one of informed choice. However such a choice ought to be made in a context where mechanisms exist to ensure that women (and men) in search of contraceptives do not end up choosing drugs and implants that are positively harmful. Given the fact that women's groups have consistently campaigned against the use of injectable contraceptives that are likely to cause unknown immunological disorders, surely the report should have recommended that the State take a clear stand on banning the production and marketing of these contraceptives? A policy that attempts to give individuals the right to choose contraceptives and plan their family without providing an enabling environment that would render the choice to be automatically 'safe' and 'risk-free' cannot, for obvious reasons, go very far.

In the face-to-face discussion that representatives of women's groups had with Dr. M.S. Swaminathan and Mr. T.V. Anthony (the latter is also the Former Chief Secretary to the Government of Tamil Nadu), it became clear that such criticisms and misgivings as those listed above would not be heard at length. Dr. Swaminathan, for instance, in his response to these, skirted the issues and insisted on referring to the Draft Policy report to clarify matters. He refused to grant that the report had not sought to consider population policy in the context of our extant model of development. Arguing

that the report could not be expected to furnish an economic essay on development he rejected the criticism that it lacked a cogent perspective on the economy, on questions of land and labour. Likewise, he refused to accept the fact that the report had avoided talking about the new economic policy and its impact on population problems. He was merely content to reaffirm the faded rhetoric as regards the logic of North-South economic relationship that already exists in the report. Arguing that one has to take the Prime Minister's word in good faith (sic) when in his independence day speech the Prime Minister explained his decision to disinvest in profit making public sector enterprises to enable a passage of funds gained from cuts in subsidy into social welfare activities, Dr. Swaminathan dismissed the criticism as to the lowering of state spending on social issues lightly.

His responses on other points of criticism were, to say the least, routine and displayed an unwillingness to accept seriously differing and alternate points of view. At one point, though, he was forced to admit that there could be different points of view and he referred to (mysterious) external discussion papers that recorded the Commission's debates. However, one is forced to doubt the existence of these papers, since this was the first time they had been referred to by the authors of the Draft; besides, precious little evidence of that ostensibly nuanced inner debate was reflected in the policy statement itself.

This brings us to the entirely different problem of the way such Commissions function. It seems unfair to release the policy for discussion and then when criticisms are made, revert to unspecified arguments that are recorded in reports one is yet to see. Also to maintain as Dr. Swaminathan and

Mr. Anthony did, that criticisms have to be forwarded to the Health Ministry since the Commission is officially disbanded, not only betrays a poor sense of responsibility and accountability but also a certain unmistakable arrogance and disrespect for criticism and debate. It would be pertinent to record in this context the different strategies adopted by such Commissions to confuse and confound various sections of the population. One strategy consists in involving affected groups at various levels ostensibly to open up a dialogue. However, as women's groups particularly have realized, the main purpose of such dialogue sessions is basically to "divine (women's) arguments, appropriate their language and finally exhaust them".⁹ Another strategy is to challenge, in this case the women's groups, to produce an alternative document. Our poser to this criticism (the latter) is very simple: without a similar mandate, without similar facilities enjoyed by the Swaminathan Committee by virtue of this official mandate, the women's groups are not prepared to fall into this neatly laid out trap in the form of a counter criticism. Further and more important it is not as though alternative proposals do not exist. If only the Commission had looked around it would have spotted any number of well-argued out, informed documents both national and international, which have discussed the issue of population in a holistic, more humane framework.

Lastly it has become habitual for Commissions to claim that they are concerned above all with policy and operationalization is not one of their concerns. The question that needs to be raised here is this: of what use is a policy document whose operational principles are not inherent to its arguments? Especially since policies such as this concern people's (particularly women's) lives, bodies and their very right to life.

Notes and References

A substantive part of this note prepared by V. Geeta and Padmini Swaminathan is based on presentations made at two meetings (August 6th 1994, and August 27th 1994) held at Madras to discuss the Draft National Population Policy. While acknowledging in particular the contributions made by the principal discussants, namely, K. Nagaraj, Manabi Majumdar, V. R. Muraleedharan and Mythili Shivaram, the authors would like to thank all the participants (at both the meetings) including government officials. Responsibility for the above interpretation of the discussions however rests solely with the authors.

- 1 Statement made by groups around the world at the PrepCom II. Reproduced in *Legal Perspectives* (special Issue on Population Policy and Human Rights). Document File No. 31, Chengalpattu, Tamil Nadu.
- 2 Visaria, Pravin "Population Policy for India 1990s and Beyond", 7th Dr. K. S. Sanjivi Endowment Lecture, August 15, 1994, Madras (mimeo).
- 3 Sundarai, T. K. "Women and the politics of population and development in India", *Legal Perspectives*, op.cit, p5.
- 4 For comprehensive details see the *Draft Programme of Action of the International Conference on Population and Development*, Note approved by the Preparatory Committee for the International Conference on Population and Development, 13th May 1994 (mimeo).
- 5 Ibid, p55.
- 6 Bose, Ashish "TN's successful demographic transition", *Financial Express*, January 4, 1994, Madras.
- 7 Quoted by T. N. Krishnan "Population Policies: Some Issues", (Book Review), *Economic and Political Weekly*, August 6, 1994, p2076.
- 8 Quoted in *Medico Friend Circle Bulletin*, May-October 1993. (Nos. 194, 195, 196), p10.
- 9 Ibid.

Book Review

Patron : Client Politics and Business in Bangladesh : Stanley A. Kochanek,
Sage Publications, New Delhi, 1993, pp 387, Rs.350.

Padmini Swaminathan

THIS book is a study of modern business associations in Bangladesh and their role in the Bangladeshi political system. It attempts an assessment of the degree to which interest groups in Bangladesh have developed complex, bureaucratised structures for the articulation of demands, the process used in pressing these demands on government decision-makers, the restraints imposed by the state on group action, and the overall impact of interest groups on public policy in Bangladesh.

According to the author, historically, the presence of Hindu and Pakistani houses inhibited the growth of indigenous Bengali Muslim entrepreneurship in East Pakistan, a trend that was reinforced by the failure of Muslim Bengalis to take advantage of the early trade opportunities that had resulted from the creation of Pakistan. Having lost the initial advantage, Bengalis had a tough time closing the gap. They blamed their lack of industrial development and consequent economic plight on the lack of capital and the discriminatory policies of the government of Pakistan. As a result, regional politics came to dominate associational development among businessmen in the same way that it came to dominate the political development of Pakistan.

For a variety of reasons the pace of industrial development in East Pakistan from 1947 to 1971 was much slower than in West Pakistan. The industrial development policy of the Pakistan elite produced not only uneven growth and disparities between regions but also resulted in a highly concentrated pattern of industrial ownership. Mahbul Haq, chief economist of the Pakistan Planning Commission in a (now famous)

speech in 1968 declared that the Pakistan economy had become dominated by 20 families who controlled 66 per cent of the total industrial assets, 70 per cent of the insurance and 80 per cent of the banking assets of the country. Later this list was expanded to include 22 families, none of whom were Bengali Muslims.

This pattern of industrial control was reflected even in East Pakistan where 47 per cent of the industrial assets were controlled by business families based in West Pakistan. Of the remaining industrial assets in East Pakistan, 34 per cent were controlled by the public sector under the East Pakistan Industrial Development Corporation and only 18 per cent by Bengali Muslims. The remaining 1 per cent was controlled by foreign multinationals. The pervasiveness of the feelings of economic exploitation and economic nationalism were reflected in the fact that during the 1970-71 election campaign that preceded the civil war, almost every major political party in East Pakistan called for some form of fundamental socialist transformation.

The Awami League took up the reins of the government in the newly created Bangladesh in 1971. Unfortunately there existed little real consensus on basic issues. Some members supported private sector development, some demanded socialist transformation, some were uncommitted centrists, and many were simply opportunists. The members of the Planning Commission, however, were committed to the socialist reconstruction of Bangladesh. They recommended the nationalization not only of the abandoned property but of also the cotton, jute and sugar mills owned by Bengali Muslim entrepreneurs, as well as the banks, insurance

companies and inland water transport. The very success of socialism, they felt, required the destruction of the existing bourgeoisie through nationalisation of their enterprises and by restrictions on their potential as competitors with, and critics of, the public sector. Mujib, for his part, realising that a radical agrarian policy would be impossible to implement in his middle-class, land-based Awami League party, opted to support the radical industrial policy instead. Thus the Awami League, while endorsing the Planning Commission's proposals for the structural transformation of the industrial sector, very quietly rejected similar proposals for land reform and changes in land-tenure relationships.

The business community in Bangladesh, according to the author, is embedded in a highly traditional agrarian society with a weakly developed political infrastructure. On the other hand, business associations in Bangladesh, like modern business itself, are new institutions. They are highly politicised and characterised by personalised styles of leadership, intense factional conflicts, inadequate resources, a lack of professionalism and bureaucratisation, and low levels of mobilisation, participation and institutionalisation. Further, the number of organisations claiming to represent business in Bangladesh have little relationship to the size of the industrial and commercial class. In short the number of business organisations did not reflect a high level of group mobilisation or the development of a strong business class; rather it reflected Bangladeshi individualism and particularism. Further individual business families and firms have developed an elaborate system of personal connections at all levels of government based on *tabdir*, a process of cajoling and personal lobbying. Among the other characteristics of the business organisations (which is common to other groups in Bangladesh) include the fact of government intervention in apex associations to ensure that they are in pro-government hands.

The author traces in some detail the growth

development and functioning of the Metropolitan Chamber of Commerce and Industry (MCCI), the 'oldest, richest, best organized, and most influential business association in Bangladesh'. Among all the associations, only the MCCI takes any real care in its presentation to the government; the other chambers and associations make vague claims that are not supported by specific cases or well documented analyses of the alleged problems. Most associations do not have the funds or the interest to develop organisational capabilities in the form of a permanent office, a library, research facilities or professional staff. Moreover, research on private sector problems takes place only when conducted by the government or when funded by foreign donor agency.

The author concludes with a framework outlining what he calls the South Asia model patterning the interest-group politics of India, Pakistan and Bangladesh and ends by stating that "the states of South Asia face their greatest challenge not from the modern organised sectors of society with whom they can negotiate, but from the repeated challenges of the partially mobilised, unorganised sectors of society who feel frozen out of the system".

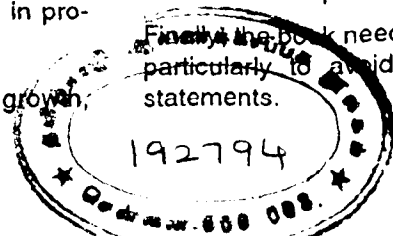
The importance of the theme and the detailed manner in which it has been treated by the author are indisputable. However, the theme of patron-client politics needs to be developed more rigourously and historically contextualized. This becomes particularly important since the author contrasts experience of Pakistan, India and Bangladesh with that of Japan, Singapore etc. An assessment of the degree of autonomy characterizing the functioning of institutions and the government internally needs to be supplemented with an examination of the influence of external factors, and over a period of time, in order to arrive at why states show different patterns of development.

Finally, the book needs to be carefully edited particularly to avoid repetitive points and statements.

Publications of the Institute consist of the following categories :

- 1 **Publications brought out by Messrs Sangam* Publishers :** These consist of a series of monographs mainly relating to Rural Development of Tamil Nadu brought out between 1972 & 1980. Detailed list including prices available on request from the Programme Coordinator of MIDS. Orders may be placed with Sangam Publishers, 11, Sunkurama Chetty Street, Madras-600 001 for these.
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