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EDITOR  
**Ajay Bharti**

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**Sudama Bhardwaj**

EDITORIAL OFFICE  
'Dharmakshetra' Sector-8, Babu Genu Marg.  
R.K. Puram, N. D.-22  
E-MAIL : swadeshipatrika@rediffmail.com  
WEBSITE : www.swadeshionline.in

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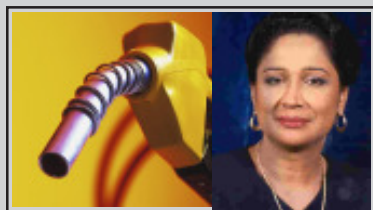


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### No more lies please!

*I must begin with congratulating Swadeshipatrika for the improved quality of publication. It is a very useful tool in the hands of activists throughout the country to educate the people about different aspects of our economy. But Kindly refer to the write up, 'No More lies, Please' by Nikunj Jain published in the February issue of Swadeshipatrika. The write-up has tried to paint all research-works with same brush. The writer has in a way endorsed the claims of soft drink biggies like coca-cola and Pepsi. It is a matter of great concern when a publication like Swadeshipatrika ignores the history of these companies and the struggle the people of this country have waged against them.*

*Yes it is a fact that large MNC's have indulged in illegal and immoral practices of misleading people by planting stories in the media. They spend hefty amounts to present their products as safe and secure by publishing articles, reports, research works, independent surveys, and recommendations by professionals and analysis by experts in so called mainstream media. Media has allowed itself to be used as a tool of corporates marketing their products in disguise. We know that this all is paid and sponsored directly or indirectly. Actually need of the publications like Swadeshipatrika was felt only because of this aggressive marketisation of media. Swadeshipatrika needs to be extra careful in selection of articles and the impression they create. Thank you.*

– **Balraj Singh**, Kanjawala (Delhi)

### Walking Extra mile

*Government of India continues to shoulder the responsibility of protecting absurd interests of Pakistan. Prime Minister's latest announcement showing his readiness to walk an extra mile to accommodate Pakistan combined with what Minister of State for External Affairs Shashi Tharoor's suggestion that Saudi Arabia should play the role of an interlocutor between India and Pakistan demonstrates the confused policy of the this government on external front.*

*India has always accommodated belligerent Pakistan, but that country refuses to let India live in peace and progress. Not only Paki government, even the guests on our TV channels from across the border are always aggressive and at times abusive. Our commentators continue to reason with them. It seems we have decided to learn no lessons.*

– **Srikrishna Manhas**, Shahdra (Delhi)

### EDITORIAL OFFICE

#### SWADESHI PATRIKA

'Dharmakshetra', Sector-8, Rama Krishna Puram, New Delhi-22

■ Tel. : 26184595, E-Mail: swadeshipatrika@rediffmail.com

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#### Disclaimer

The views expressed within are those of the writers and do not necessarily represent the views of Swadeshi Patrika. Swadeshi Patrika often present views that we do not entirely agree with, because they may still contain information which we think is valuable for our readers.

### Quote-Unquote



Pakistan has a continuous antagonistic mindset towards India. Unless that attitude is changed, talks will never be fruitful.

**Mohan Bhagwat**

RSS Sarsanghachalak



I would like to hear the voices of condemnation of those who have, erroneously, extended intellectual and material support to the Maoists.

**P Chidambaram**

Union Minister for Home Affairs



India's basic policy is we don't want interference from any country in our bilateral talks with Pakistan.

**AK Antony**

Union Minister for Defence



Glad, that I am not bowling to him (Sachin Tendulkar).

**Shane Warne**

Former Australian Cricketer

## Bt. Brinjal: The Democratic Triumph

Well done India. Long live democracy. What a triumph it has been for the people of this country and the efficient & effective use of their democratic muscle. Government was strained to accept the people's verdict on Bt. Brinjal. Powerful trans-national companies known for their lobbying power and arm-twisting of governments across the globe have been left fuming. Their supporters in and out side government are goaded. The poisonous crop, after all, was given a go ahead for commercialization by a high powered committee, GEAC and it was almost certain that the government approval will follow. Agriculture Minister Sharad Pawar , critical of the public consultations initiated by Forest and Environment Minister, Jairam Ramesh, was reportedly saying that the decision of the GEAC would be final. His colleague Minister for Science & Technology Prithviraj Chavan has given a clean chit to the safety of Bt brinjal even as the GEAC report is being widely considered to be rigged. But the stake holders including scientists, farmers, housewives, students, journalists and experts of repute; shaken by the promptness of GEAC to grant approval without necessary study and eagerness of the government to approve Bt. Brinjal were stunned. Instead of issuing customary reactions & condemnation statements they roused into action. Exposing the blatant abuse of norms and procedures required for recommending any new addition for human consumption. Demonstrations, awareness campaigns, seminars, presentations, petitions, appeals and all other conceivable options for mobilization of public opinion was adapted. Such was the effect that hitherto un-related people like saints, film personalities and other celebrities jumped into the bandwagon to resist the onslaught on food security and played a role in defending the public health concerns. The public out cry proved too hot for government to swallow. People came out in open to register their protest. Sensing the mood of people MOS E&F Jairam Ramesh assured wider consultations and also kept the promise. Credit goes to him for initiating a public consultation process that will go down in India's history as the rightful approach to decision making. People of India refused to let the opportunity go. Mood of the people ultimately prevailed and the minister proclaimed a moratorium that too one day earlier then the date he had announced. Minister in his report has put on record the response of people and state governments thereby accepting the resolution of people. In a People's democracy like India it is far more important to protect democratic setup than to guard interests of profit making MNC's. People of India and all those who came out in open to play an active role including the minister concerned deserve appreciation.

But at the same time let us be very clear that it is not the final victory. Agreed well begun is half done. This in fact is the beginning of a long drawn battle. It is not only about Bt. Brinjal either. Much more than a mere crop and its new variety are involved. Resentment against the commercial introduction of the genetically modified food crop is principally based on enduring ill effects of Bt Brinjal on human health, given that long-term trials have not been held and the potential damage to as many as 2,500 natural varieties of brinjals cultivated in India by cross-pollination between Bt and ordinary brinjal? Will the modified gene get into the normal brinjal? What will the consequences be? Antipathy to GM foods is globally recognized. More and more people are breaking their silence refusing to be mute spectators to the games the agribusiness industry plays leading to destruction of livelihoods and increased human suffering. These companies fake their studies, they lie, they bribe, they corrupt science agencies and politicians, and when they lose, they then resort to prison for any who question their "science" at all. This well known pattern is unfolding here in India also. It is therefore a matter of great satisfaction that a moratorium has been placed on the release of Bt. Brinjal for the time being and this decision has been endorsed by Prime Minister also. This endorsement from PMo has rebuffed the Ministerial supporters of GM foods. But the need is to be vigilant. Agri-business industry has not stopped its efforts. Only an alert nation can trounce their additional efforts to subvert democracy and push for backdoor entry. Let us ensure that the science works for human welfare and not for corporate interests, for protecting the environment and strengthening the foundations of sustainable and equitable development.

**Budget Speech****A deceptive exercise to conceal facts**

*The Pranab Mukherjee way is to grandstand in the speech while tucking away uncomfortable truths in the Budget papers. He banks on media experts' known disregard for the devil in the detail and short-changes Mr & Mrs Aam Admi, explains S Gurumurthy*



The finance minister has done a fantastic job". "Very good Budget"; "See the takeaways"; "See the positives"; "Fiscal deficit controlled to 5.5 percent"; "Government borrowings reduced to just Rs 3.45 lakh crore"; "Roadmap laid for oil sector reform"; "Infrastructure boosted"; "Consumer demand to raise on tax cuts"; "Bonanza for the middle class"; "Yet an inclusive Budget"; "I would give 10 on 10."

Thus went on the comments on the Budget as this column was

***The increase in the outlay for the NREGS in the coming year is just 2.5 per cent.***

being written after a strenuous effort to browse through the hundreds of pages on the Internet to see what the FM has left unsaid in his speech. But those who eulogised the Budget and the FM had nothing else on their hands other than what he had claimed in his speech and none of them would have had even a cursory glance at the Budget papers which were put on the NIC website almost an hour after the speech.

Thanks to the euphoria of the experts, the BSE Sensex rose to a high of 400. But as the facts contained in the Budget documents slowly became known, the Sensex moderated to a rise of 175 at close of trading. But the Budget and the FM had won approval with his

well-structured speech which was long on words (including quotes from Kautilya) and hugely short on numbers. By now, taking the FM's words as the Gospel, the opinion of 'elite India' has been sealed in favour of the Budget.

Of course, the 'other India' has no instant opinion to express; already reeling under high inflation, against which there is no measure in the Finance Minister's speech, it has only to experience in the days to come what the Budget actually does. Now let us look at what the facts & numbers which lay buried deep in the Budget documents disclose.

The additional provision for rural development is just Rs 3,936 crore — a rise from Rs 62,201 crore in the current year to Rs 66,137 crore for the coming year. This translates to a rise of 6.3 per cent for the coming year over the current year. The estimated rise in the GDP for the coming year over the current is estimated at 12.5 per cent. This implies that the rural sector does not even get half of the rise in the Country's prosperity. The increase in the outlay for the NREGS in the coming year is just 2.5 per cent.

Contrast this with the rise of — believe it or not — 146 per cent in NREGS for 2009-10 over 2008-9. The tax cut for the middle class is some five times the extra rural-



development provision. Still, the Budget is claimed as intended for the aam admi! Move on. The additional provision for agriculture is a pittance - just Rs 900 crore. So much for 'inclusive' growth. So, what was an inclusive agenda from 2004 to 2009 seems to have degenerated into a mere slogan now. The FM famously said last year that he couldn't care less for what the stock markets felt about his Budget.

Now, the FM's sleight of hand for infrastructure. See the provision for the road sector. It is just an additional Rs 2,374 crore - a mere 13 per cent more compared to the current year's 23 per cent rise over 2008-09. The additional provision for the Railways is Rs 950 crore - a mere rise of 6 per cent growth compared to the 46.3 per cent hike in 2009-10 over the previous year. In 2009-10, the additional provision in the urban infrastructure was 87%.

The FM had claimed in his Budget speech for 2009-10 that IIFCL, the infrastructure finance set-up, along with the banks, was in a position to support infrastructure projects of - hold your breath - Rs 1,00,000 crore! Against that claim, he admits in his speech now, the disbursement and refinance by IIFCL, so far, has been just Rs 12,000 cr. It would rise to Rs 25,000 crore in the next three years! How did he dare to say one thing in his previous speech and another thing now? He was confident that the experts who would give instant opinion on his product would hardly have the time to check on what he claimed just eight months earlier. The claim that the infrastructure provision of Rs 1,72,552 crore is 40 per cent of the plan allocation is definitely less than honest.

Acting cleverly here, the FM

does not give the comparative figures for the current year. Indeed, there was no appreciable improvement, but this does not distract the experts who eulogise the 'infrastructure boost' in the Budget.

What then is the secret of the reduction in deficit? The FM simply refuses to spend. And that is perhaps correct. But he has concealed that and said something to the contrary. Income would increase in 2010-11, but expenditure would not. The increase in Non-Plan expenditure in 2009-10 over 2008-9 was 37 per cent; in 2010-11 over 2009-10 it is proposed to be restricted to just 6 per cent. Non-Plan expenditure was Rs 6,42,000 crore in

***The FM's claim that he has put extra cash into the consumer's pocket is less than honest as the amount would be actually less by Rs 1,80,000 crore than that of the last year!***

2009-10, and in the coming year just Rs 6,44,000 crore - in other words, no increase at all. If the FM had increased Non-Plan expenditure for 2010-11 in proportion to the estimated GDP rise of 12.5 per cent, the deficit would have risen by Rs 1,99,000 crore to over Rs 5,80,000 crore, implying that the deficit would have been up by - believe it - almost 2.9 per cent to some 8.4 per cent! If this had happened, would the experts have gone gaga over the Budget? Would the stock market gone crazy? Obviously not.

See how flawed is the premise that the Budget puts extra money in the hands of consumers. Non-

Plan expenditure is straight injection of money into the system. If that does not grow, how will the consumer get extra money? The FM's claim that he had cut taxes to put extra cash into the consumer's pocket is less than honest as the amount would be actually less by Rs 1,80,000 crore than that of the last year!

It is not a bad thing that the FM has cut non-development expenditure. But his claim that he was putting money into the hands of the people through tax cuts is only one side of the story. The other, which is the biggest concealment in this Budget, is the cut in Non-Plan expenditure. See more. The biggest component of the rise in Non-Plan expenditure in the current year was the Pay Commission dues, which was extra money into the pockets of the people to spend. That was the reason why, despite the downturn in the economy in 2009-10, private consumption, which was expected to fall according to the Economic Survey 2008-09, did not fall. Private consumption powered by the Pay Commission dues sustained GDP growth in 2009-10, and that was the secret of the growth in 2009-10. This factor is absent in 2010-11. How will the aggregate demand rise more than last year when the amount of additional money in the hands of the people is far less in the coming year than in the year that is closing?

The finance minister's speech intends to conceal more than it reveals - in fact it cheats. He has trusted the propensity of the instant commentators to spin ornamental words in praise of the Budget speech and won the day against the experts and the market! □□

(The writer, national co-convener of SJM, is a corporate adviser and columnist)

## Budget confirms Government's disregard for Agriculture and Employment



*Although the government talks about its concern for agriculture and employment in every budget, but the continuously decreasing allocation and declining expenditure in proportion to total planned expenditure depicts official insensitivity towards agriculture and agrarian economy, Says* **Dr. Ashwani Mahajan**



During 1990s, 8 to 10 percent of planned expenditure was spent on agriculture. For the last about one decade it has reached to a low of around 2.5 percent. Although the government shows concern about agriculture in every budget, but all that is no more than a lip service. So much of talk about agriculture and last year government spent a meager sum of Rupees 10123 crores, which was 2.37 percent of planned expenditure and hardly one percent of total expenditure of central budget, as per the revised estimates. In the Budget 2010-11, this figure amounts to 2.34 percent of planned expenditure. Much hyped provisions for programmes

on oilseeds and pulses are negligible. As a proportion of total planned expenditure, the expenditure on agriculture has actually declined, though marginally. When the country is passing through crisis of agriculture, this depicts insensitivity of the government towards agriculture and agrarian economy.

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***Much hyped provisions for programmes on oilseeds and pulses are negligible.***

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A really funny concern was shown in this Budget about agricultural sector and solution provided was equally comic. It was told in the budget that major problem in agriculture is wastage of agri- produce. The Finance Minister reiterated Prime Minister's earlier proposal that this problem could be handled more efficiently by foreign retailers, and announced opening of retail sector for foreign retailers. Finance Minister's argument is that these international retailers have an efficient supply chain, which can help in reducing wastage. The government does not have any study proving this point. This act of the government is premature, devoid of any logic and an attempt to wash its hands off from providing a meaningful solution by way of efficient warehousing system. These kind of utterances the Government once again demonstrate government's insensitivity to agriculture and a mindset that solution to all problems facing Indian economy lies in foreign investment.

Another problem was that of fiscal deficit. The fiscal deficit reached a high level of 6.8 percent in the last budget. Since high oil prices in the international market were compelling government to subsidise domestic market, inevita-

bility of such a high fiscal deficit could be understood. But if we look at present level of oil prices, proposed 5.5 percent of fiscal deficit may be called very high. What disturbs more is the fact that despite such a high fiscal deficit, there is no significant increase in capital expenditure in the budget. What keeps the fiscal deficit lower than the current year, also the hope of the government that they will be able to collect more taxes in the next fiscal 2010-11?

Unemployment is another major issue. While unemployment is on rise even according to government's statistics, the Finance Minister has chosen to keep mum on the issue. Perhaps the government thinks that its duty is over by allocating funds for much hyped scheme NAREGA.. No doubt NAREGA does provide a solution to the problem of unemployment, but only temporarily. It is imperative to find a sustainable solution to the problem of unemployment by creating avenues for permanent employment. This can be ensured by adopting labour intensive techniques, where ever possible. Infact we can say that budget lacks concern about burning problem of unemployment.

Economic development of any country and improvement in the quality of life of its citizens depends largely upon its infrastructure. Power generation capacity, road construction, airport, means of communication etc. are important ingredients of our infrastructure needs. Unfortunately our country's infrastructure is not up to the required level. In the past for so many years targets of increase in power generation ca-



***Despite such a high fiscal deficit, there is no significant increase in capital expenditure in the budget.***

capacity are not even half met. In road construction government itself has conceded that they have not kept the pace of even 4 kilometers per day. It may be worth noting that when UPA took rein of power from NDA in 2004, 6200 kilometers national highways roads were under construction and between 2001-02 and 2004-05, 6300 kilometer national highways including Golden quadrilateral were actually constructed. In fact national highways construction has virtually stopped during UPA regime. Even rural roads projects are almost halted due to paucity of funds.

Two things have been happening simultaneously. One the government has been shying away from its duty to build infrastructure itself and was trying to involve private sector in building infrastructure under public private partnership. Two, capital formation in infrastructure has been coming down despite increasing contribution from private sector. Whereas in 199-94 nearly 6 percent of GDP was going into infrastructure, in recent years it has come down to nearly 5 percent. Though infrastructure development primarily is the responsibility of the government, there is no harm if private sector is involved in infrastructure develop-

ment due to paucity of funds. But despite a large number of private public sector partnerships projects in infrastructure, only 5 percent of gross domestic product to be is really unfortunate. In the present budget the government has set a target of building 20 kilometers roads per day, on national highways and they have made better allocations for infrastructure projects including railways' expansion and modernisation, which is a welcome step. If government spends efficiently in accordance with budgetary allocations and focus on power generation, road and railway construction and other types of infrastructure development, it may give a big boost to infrastructure development.

On the front of inflation there does not seem to be any reprieve from the budget for many reasons. First that basic cause of inflation, that is neglect of agriculture and thus shortage of food items has not been corrected. Second that high level of deficit and still higher expectations for this deficit to rise further continue unabated and third wrongly timed hike in petroleum prices. Perhaps the government instead of tackling the problem of inflation has preferred to surrender before the same. □□

Email: ashwanimahajan@rediffmail.com



# Punish Pakistan for practicing terrorism as an Instrument of state policy

*Let there be no asha for the Pak demon*

*Pakistan must be punished for practising terrorism as a state policy in the way South Africa was treated for its Apartheid. We should cut off all our relations economic/cultural/sports and all other aspects completely and comprehensively with them before asking others to do the same thinks by Prof. R Vaidyanathan*

It is important to recognise the fact that Pakistan is one of the few places where the army runs the country. The army also owns its economy. This is important since studies have found that a large number of corporates in Pakistan are ultimately owned by the Fauji Foundation (FF), Army Welfare Trust (AWT) Bahria Foundation (BF), Shaheen Foundation (SF), all owned by different wings of the armed forces. At least 70 per cent of the market capitalisation of the Karachi stock exchange is owned by the army and related groups.

Also, a significant portion of its GDP is due to army-controlled entities and one can easily say that Pakistan economy and its army/ISI are synonymous. This implies we should stop talking of a stable Pakistan since a stable Pakistan means multiple attacks on many more cities of India by that rogue organisation ISI which is the core of the Pakistan Army.

Recently some noises were made by a newspaper group as well as Bleeding Heart Liberals (BHL's) about resuming dialogue with Pakistan. There are three groups in India which are obsessed with friendship with Pakistan. One consists of the oldies born in that part before Partition and who are nostalgic about Lahore havelis,



halwas and mujiras. The second category has Bollywood and other assorted groups who look at it as a big market. The third is the candlelight holding bleeding heart liberals who cannot imagine India doing well without its younger brother being taken care of.

***These Wagah Candle Kissers either do not understand the economic power structure of Pakistan or naively hope that it will not be an issue.***

All the three have been proved wrong but all of them are in the important opinion maker's role. Shun them, avoid them and ridicule them.

These Wagah Candle Kissers either do not understand the economic power structure of Pakistan or naively hope that it will not be an issue. Their constitution, 1973 version visualizes, to quote from its preamble "whereas sovereignty over the entire Universe belongs to Almighty Allah alone, and the authority to be exercised by the people of Pakistan within the limits prescribed by Him is a sacred trust; wherein the principles of democ-



racy, freedom, equality, tolerance and social justice, as enunciated by Islam, shall be fully observed.” It is the army which is the chosen instrument to implement the will of the god. This was recently clearly enunciated by its COAS General Kiyani. Protecting Islam and Pakistan is one of the sovereign duties of the armed forces. Recently the UN (appointed by President Zardari) team probing the death of Benazir Bhutto could interview all civil leaders including the PM and president but not the army brass. When the army objected to the Kerry Lugar Bill the president had to bring in Kerry himself to talk to COAS.

The candle kissers are doing great disservice to India and to Pakistan since that state has visualised itself as the protector and promoter of the God’s vision. One dimension of that vision is to train the suicide bombers to terminate the unbelievers inside and outside Pakistan. The so-called peaceniks naively believe that that army will go away or the foundations of the state of Pakistan will fade away.

When recently the FICCI produced a well-documented study titled “National Security and Terrorism” to deal with terrorism originating from that country, the Karachi Chambers of Commerce protested. And now the candle kissers want to have a business meet at Karachi. We do not know what results such a meet will produce.

Almost all terror attacks in any part of the world in the last decade have a link with Pakistan. Terrorism is funded by Saudi Arabia, planned in London and exe-

## ***At least 70% of the market capitalisation of the Karachi stock exchange is owned by the army and related groups.***

cuted by Pakistani foot soldiers globally. Its strategic ally, namely the USA, wants to body screen every Pakistani entering the US and also wants to open their entire luggage particularly if it has been packed by them. Its other mentor namely Saudi Arabia has a system of issuing visas to Paki-



stanis after severe verification. China is worried about Pakistani role in the Xinxiang uprising and quietly hangs the rebels, many of them from the PoK. Currently Pakistan is in abyss and it would be beneficial if it is split into many countries, not only for peace in India but also all over the world. The candle kissers are completely wrong in their agenda and timing. One only hopes that the Indian state is not taken in by their sentimental nonsense.

Will the Indian elite go for the jugular or just light more can-

dles and scream at formless/ nameless political class before TV cameras? It is going to be a long haul and may be in a decade or so we can find a solution for our existential crisis of being attacked by barbarians from the west. We need to combine strategy and patience and completely throw to the dustbin the “Gujral doctrine” treating younger brother with equanimity. The doctrine essentially suggests that if we are slapped on both the cheeks we should feel bad that we do not have a third cheek to show. Such is our strategic thinking in this complex world since our political class is not adequately briefed, nor do the elite think through issues.

If we want the world to treat Pakistan for what it is then we should start practising it. Always call it as Terrorist State of Pakistan and never have any illusion that it is going to be different. Completely and comprehensively cut off all our relations with them, economic/ cultural/ sports and all other aspects. South Africa was treated for its Apartheid; so should Pakistan be punished for practising terrorism as a state policy. Unless we start completely boycotting Pakistan we cannot ask others to do it. Will corporate India start practising it? Then we can see some results in a few years. Otherwise when the next Mumbai attack happens the senile peaceniks may order more candles and try to generate more asha for the demon. □□

(The author is professor of finance and control, IIM-B. Views expressed are personal. E-mail: vaidya@iimb.ernet.in)

# Does Microfinance Empower the Poor?

**Evidence from SHG-Bank Linkage Program in Andhra Pradesh**

*Micro-finance is not just a financing system, but a tool for social & economic change, especially for women, elaborates S. Lingamurthy*

The term microfinance is a combination of two words, Micro + Finance, which in terms of microfinance concept is to lend small amount of money to economically needy people; called as the poor without any collateral. The microfinance is one of the ways to combat the poverty, it is used as a sustainable tool to poverty-free world and it is essentially for promoting self reliance and self confidence in the formal sector of economy. It is not just a financing system but, a tool for social and economic change, especially for women. Microfinance can lead to micro solutions to grow up economically from inadequate to adequate and scantily to sustainable through their income generating activity. It assists the women to perform traditional roles better and to take up micro entrepreneurship in rural India.

## **The Desires of Rural Depressed**

The most vulnerable section of people in rural areas are agriculture laborers, tenant, marginal, small farmers, rural artisans and women. Their income streams are seasonal and irregular. Wage labor and agriculture are the main sources of income for the poor. It is a myth that the 'savings' available with these people are too small and too infrequent to be bankable. Poor people can and want to save and they want safe place to keep it for rainy day.

They need credit for 'life cy-

cle' events such as marriage, celebration of festivals, funeral expenditure, etc. They need money to deal with 'personal' emergencies such as illness, accidents and 'natural disasters' like floods, cyclones, fires etc. They also need money for taking up income generating activities or expand their existing business to enhance their income. Meeting these credit needs quickly as and when they arise crucial to reduce their dependence on informal credit agents.

Poor can benefit from financial services such as savings, credit and insurance as such services help to smoothen consumption, taking up economic activities and manage risk and enable growth. Microfinance is such a tool, which directly hits the poverty by helping economically needy people or enabling them not only to survive in this globalised society but also to improve their standard of living.

The 61<sup>st</sup> Round NSSO Survey estimates that poor people represent 27.5 percent of the country's population. Poverty levels were higher in rural areas at 28.5 percent when compared to 25.7 percent in urban areas. In recent times, Prof. Tendulkar estimates showing that 37 percent of the population is living below poverty line in India, i.e., approximately more than 370 million people, who are not able to afford sustainable living. In the mission of Poverty reduction sav-

ings-led microfinance has gained recognition as an effective way to bring very poor families low-cost financial services in the past few years. In India, the National Bank for Agriculture and Rural Development (NABARD) finances more than 500 banks that on lend funds to Self Help Groups (SHGs). Nearly 1.7 million SHGs comprising approximately 20 million women now borrow from banks. Along with SHG Bank Linkage Program, 223 microfinance Institutions (registered as Trusties, Societies, NBFCs, NGOs) are engaged to empower the poor. Given below is a study conducted in Andhra Pradesh to demonstrate how microfinance is capable of changing the life of underprivileged people.

## **Development of SHG Movement in Andhra Pradesh**

Andhra Pradesh is the fourth largest state in area and fifth most populous state in the country accounting for 8.37% of the country's area and 7.4% of its population. As per the Census of 2001 it has a population of 762.10 Lakh, of which 554.01 lakh people live in 26614 villages. The state has a female population of 376.83 lakh (49.4% of total population). The decadal growth rate of population from 1991-2001 at 14.59 percent in Andhra Pradesh is lower compared to all India at 21.53 percent.

The literacy rate in rural ar-

cas of Andhra Pradesh is 60.5% as against the all India literacy rate of 64.8%. the female literacy in the state is 50.4% which is lower than all India average rate of 53.7%. As per the poverty estimates released by planning Commission based on Modified Expert Group methodology, the percentage of people below poverty line in the state worked out to 15.77% as against 26.10% for all India during 1999-2000. In absolute terms there are 119.01 lakh poor people in the State of which 58.13 lakh are in rural areas (48.7%)

Andhra Pradesh has used SHGs extensively as a primary tool for poverty alleviation and empowerment. Currently, more than a crore rural women of the state have been mobilized into 8.51 lakh SHGs. These women groups have built a corpus of Rs. 4025.55 Crore as at the end of 31<sup>st</sup> March 2009. The evolution of SHGs in the state has taken place over a period of time due to the coordinated and concerned and concerted efforts of the Government agencies 97.34%, Banks 0.28% and NGOs 2.37%, etc. as shown in Table 1.

### Socio Economic Profile of Members

The SHG members generally come from the needy sections of the social order, viz. Scheduled

Table: - 2 No. of SHG's Credit Linked (%)				
Year	No. of SHG's	India	Andhra Pradesh	
		Cumulative (%)	No. of SHG's	Cumulative (%)
2001-02	239,066	3.60	117,352	5.00
2002-03	255,882	3.85	165,429	7.06
2003-04	361,731	5.45	231,336	9.87
2004-05	797,457	12.00	261,254	11.14
2005-06	964,611	14.52	294,341	12.55
2006-07	1,105,749	16.65	359,276	15.32
2007-08	1,227,770	18.48	415,206	17.71
2008-09	1,690,761	25.45	500,536	21.35
Source: - Banking With the Poor SHG-Bank Linkage Program in A.P, NABARD, 2009.				

Castes, Scheduled Tribes and Backward Classes. About 85% of the SHG members are illiterate/neo literate. Around 50% of the SHG members are in the age group of 18-35 years. A large number of SHG members do not own any land or own very little land. Around 5% of the members are agriculture labourers, 33% of the SHG members are engaged in agriculture and allied agriculture activities. About 3% of the members are engaged in other activities such as petty business, beedi making etc.

The Self Help Group – Bank Linkage Programme (SBLP) launched by NABARD in 1992, with the policy thrust of Government of India and Reserve Bank of India (RBI), has proved that – poor are bankable and have high tendency to save if opportunity and motivation are provided to

them. This programme is the largest non-directed micro savings and micro credit programme in the developing world. The SHGs consist of members who are poor, have low saving capacity and depend on formal sources for meeting their consumption and production needs.

### SHG-Bank Linkage Programme – Growth Trajectory

The SHG-Bank Linkage grew rapidly from 1999-2000 and registered remarkable progress by 2000-09. In 2001-02 there were 239,066 SHGs Credit linked i.e., cumulatively 3.6% at National level and 5% at State level which are 117,352 SHGs, have been astonishingly grew to 1,690,761 i.e., 25.45% at National level and 500,536 i.e., 21.35% at State level in 2008-09 shown in Table-2 and graph-1 depicts such an improvement in SHGs Credit Linkage Program.

Table-3 shows that the amount of credit flow to the SHGs has been reported as cumulatively 1.40% at National level, 1.39% at State level in 2001-02 has been steadily increased up to 2005-06. Then it has accelerated to 22.72% at National Level, 29.02% at State level in 2007-08 and 32.57%, 35.23% in 2008-09 respectively.

The share of SHG-Bank link-

Table: - 1 SHPIs in Andhra Pradesh – 31 March 2009		
Particulars	Andhra Pradesh	
	No	% to Total
No. of SHGs Promoted by:		
Govt. Agencies	828028	97.34
Banks	2381	0.28
NGOs	20148	2.37
Farmer Clubs	114	0.01
Individual Rural Volunteer	0	0.00
Total	850671	100.00
Source: - Banking With the Poor SHG-Bank Linkage Program in A.P, NABARD, 2009.		

Table: - 3  
**Credit Flow to the SHG's**

Year	India		Andhra Pradesh	
	Credit Flow	Cumulative (%)	Credit Flow	Cumulative (%)
2001-02	545.46	1.40	267.09	1.39
2002-03	1,022.34	2.62	454.13	2.36
2003-04	1,855.31	4.76	752.99	3.92
2004-05	2,924.20	7.51	1,017.71	5.30
2005-06	4,499.01	11.55	1,599.43	8.33
2006-07	6,570.39	16.87	2,775.45	14.45
2007-08	8,849.26	22.72	5,573.34	29.02
2008-09	12,689.22	32.57	6,767.40	35.23

Source: - Banking With the Poor SHG-Bank Linkage Program in A.P, NABARD, 2009.

age programme of A.P as compared to national level was 49% during the year 2001-02 and increased to 64% by the year 2003-04. During the year 2007-08, the state has a share of 32.82% as other states have also picked up in implementation of the programme, as shown in table 4.

## Mission of Banks at Rural Poor

The Banks in Andhra Pradesh playing pivotal role in financing SHGs because the poor have proved themselves they are bankable. In the starting period of time 35 SHGs were financed with bank loan of Rs. 0.09 Crore in 1992-93. In Andhra Pradesh average number of SHG is 12. When it traced to per head it is 2090 Rs. In the long period banks have promoted sufficient money to SHGs financed average per group is 135,203 Rs. in 2008-

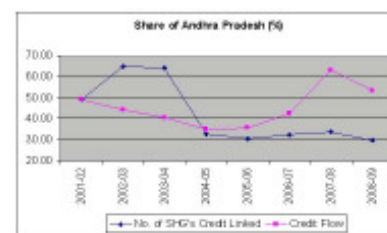
09. Per head it is 11,267 Rs. It may sufficient to run a small enterprise or economic activity. In 2006-07 per head financed 6,438 Rs. But, it has been increased in last two years that is reported as 11,186 rupees per head.

## Loan Utilization Pattern

There is a gradual shift in loaning pattern from consumption loans to production activities with creation of assets. It has been observed from studies conducted by NABARD that the new groups mainly utilize the loan amount for meeting their consumption requirements in the first and second linkages. The bank loan is utilized for income generating activities only from the third or fourth linkage. The SHG members in the state have availed bank loan for various consumption activities (marriage, health, redemption of old debt, education of children, purchase of grains etc.), production (raising of crops, purchase of seeds, working capital requirements of trading activities etc.) and investment purposes (dairy, sheep, bullocks, expansion/repair of house etc.). Further, pre and post investment support is required to optimize economic activity.

An analysis of utilization of bank credit by members, linkage-

wise, revealed that in the 1<sup>st</sup> bank linkage, 79% utilized the loan for consumption purposes, which gradually declined to 9% by 5<sup>th</sup> linkage. Similarly, while in the 1<sup>st</sup> linkage, only 2.7% of members created one or other productive assets, in the 6<sup>th</sup> linkage 29.6% created assets for productive purposes. In the 1<sup>st</sup> linkage, utilization for consumption was highest at 79% followed by family venture (8%), input purchase (7%), Own Gas (3.3%) and asset creation (2.7%). Utilization for assisting family venture (13%) occupied second position in the 2<sup>nd</sup> linkage. With repeated linkages, utilization of loan for input purchase, IGA, asset creation increased from the level of 7.0%; 3.3% and 2.7% in the 1<sup>st</sup> linkage to 17.6%, 41.2%



and 29.4% respectively in the 6<sup>th</sup> linkage. Graph shows that the Consumption/Health/Education linear curve moving down left right from 1<sup>st</sup> linkage model to 6<sup>th</sup> linkage model. At the same time Own Income Generation Activity (IGA) linear curve moving left to right up side due to much importance has been given to Income Generating Activity after fulfilling their daily livelihood consumption.

## Conclusion

I would like to conclude with a success story which I have seen in the field study while I was doing data collection for the sake of my Ph. D program. A widow woman has proved that microfinance can give better life to rural poor if, they utilize in a proper way. Vanaja



Table: - 5

**SHG-Bank Linkage Program Ground Level Credit**

Year	No. of Groups Financed	Bank Loan (Rs. In Crores)	Refinance of NABARD (Rs. In Crores)	Avg Per Group finance In (Rs.)	Per in Head Financed (Rs.)
1992-93	35	0	0	25,085	2,090
1993-94	102	0	0	16,171	1,348
1994-95	105	0	0	29,723	2,477
1995-96	147	0	0	29,932	2,494
1996-97	434	1	1	32,488	2,707
1997-98	1,322	3	3	24,054	2,005
1998-99	6,579	13	13	19,380	1,615
1999-00	29,242	55	55	18,791	1,566
2000-01	84,939	143	143	16,856	1,405
2001-02	117,352	267	198	22,760	1,897
2002-03	165,429	454	271	27,452	2,288
2003-04	231,336	753	310	32,550	2,713
2004-05	261,254	1,018	392	38,955	3,246
2005-06	294,341	1,599	476	54,339	4,528
2006-07	359,276	2,775	696	77,251	6,438
2007-08	415,206	5,573	1,342	134,231	11,186
2008-09	500,536	6,767	1,685	135,203	11,267

Source: - Banking With the Poor SHG-Bank Linkage Program in A.P, NABARD, 2009.

Laxmi is a resident of Lakshettipet Village of Khammam District, which is located in (ITDA) Integrated Tribal Development Agency. Her husband committed suicide ten years ago due to previous debt. Vanaja Laxmi was residing in a poor shed having two children. Her son used to help her in non-farm activity when she became a widow. She continued her life in a very poor condition. Her day to day life is very tough and critical. She was not able to feed her children twice

in a day. Initially she was running an economic activity that is to sell Beedi leaves to agents brought up from neighbouring forest, and side by side she used to purchase waste material of Iron stuff and used to sell the same to some other agent on marginal profit. Even for this she had to pay some amount as bribe to middle men, who were so called caretakers of the forest. She had lot of financial troubles in running her



economic activity which existed in the rural community. But, then microfinance program approached her. Never ever had she dreamt that she could get money with a minimal rate of interest that too without guarantee and without collateral. In the beginning she got a meager 1000/- rupees only to augment her economic activity. She utilized 50% for household consumption and 50% for her economic activity. Now after a phase of hard work she is getting 10,000/- rupees based on her repayment performance from her earnings. In the process she sent her son to computer institution to seek computer course and daughter to school. In due course they became computer operator in a computer institution in Khammam Town and daughter is doing graduation. I

asked her how much money she had saved and where had she saved the same. She said no savings as yet. Then I asked a question did she mean that she could not earn that much money? She replied again no, and she said I have a beautiful building for my future generations by my own earnings. Now her face was gleaming with buoyancy and she is an example for self reliance in a village economy, which is real economy in rural India. Finally I would like to say this is the real economy of the resurgent Bharat. □□

(S. Lingamurthy is a Research Scholar, Dept. of Economics, Osmania University, Hyderabad)

Table: - 6

**Linkage-wise Utilisation of Loan Amount by SHG Members**

(Percentages)						
No. of Linkages	Consumn./ Health/Edn	Family Venture	Input Purchase	Own IGA	Asset Creation	Total
1st	79.00	8.00	7.00	3.30	2.70	100
2nd	58.90	13.00	10.40	10.70	7.00	100
3rd	41.90	6.80	15.80	20.50	15.00	100
4th	24.20	6.90	21.80	20.70	26.40	100
5th	8.90	17.90	21.40	32.20	19.60	100
6th	0.00	11.80	17.60	41.20	29.40	100

Source: - Banking With the Poor SHG-Bank Linkage Program in A.P, NABARD, 2009.

## A difficult year ahead: Reduce personal IT

*Rising prices, growing central government deficit and fall in personal income-tax collection are grim indicators for the coming difficult days. Vacillating approach of the government does not suggest any relief either from high prices or other malaise, feels Shivaji Sarkar*

Rising prices, growing central government deficit and fall in personal income-tax collection are grim indicators for the coming difficult days.

The government is also under pressure to have a relook at personal income tax rates. The stimulus has boosted corporate profits. The individual has suffered erosion in terms of job losses, wage cuts and by contributing far less to the government kitty. Now it is their turn to get a stimulus through a cut in income-tax rates.

It has been an effort on the part of the government to project each of these as unrelated events. The recent central cabinet meeting has not taken any concrete step to bring down the prices. Rhetoric of requesting the states would not reduce the prices. It requires a political will and a firm action plan. The government has merely tweaked the ears of a minister, who is promoting the interests of the sugar and food grain lobby he represents. It is not easy to understand why such a person is not thrown out. Such an action would reinforce the faith of the people in the system.

There is little effort at managing the supply side problems. No proposal has come up from the cabinet for reinforcing the distribution of food items. Apathy is evident in creating a parallel intervening system to keep the



market in check. The government can claim that a system exists for those below the poverty line. But as per government statistics not more than one-third of the poor are covered by it. If discrepancies in poverty estimates are taken into account it would include about 60 per cent of the population.

The way the prices are rising salaried middle class is getting closer to the poverty line.

Even industry leaders have impressed upon the government to take steps to reduce food prices. High prices affect disposal in-

***The way the prices are rising salaried middle class is getting closer to the poverty line.***

come – spare money – of the people and leads to reduction in demand for manufactured goods. It affects the health of the industry on many counts – higher wages, higher costs, consequent higher prices of products and lower profit margins. The cabinet has not taken note of the situation.

It also affects government finances. A review of the April-September 2009 finances of central government indicates that all the key deficit indicators widened significantly over the corresponding period of the previous year, Division of Central Finances (DCF) of Reserve Bank says. Growth in receipt declined due to decline in tax revenue. Excise duty collection alone reduced by 22.9 per cent as against an increase of 6.6 per cent

the previous year.

The DCF has pointed to a grim way the government is financing its expenses. It is coming from dividend and public transfers from the government-owned finance institutions. It means the dividend that should have gone to create infrastructure and strengthen the public sector enterprises are being utilized to meet government expenses. Public transfers are borrowings. The government has raised Rs 58,802 crore from these two sources.

The government's expenditure has risen to Rs 448,848 crore a growth of 23.6 per cent. Most of it has come from market borrowings, DCF says. As on Nov 23, the government had borrowed Rs 406,369 crore – 82.8 percent of budget estimates (BE) as against Rs 163,904 crore in (47.8 per cent of BE) in 2008-09. It simply means that entire corporate stimulus package, which has not benefited the common man, is funded by raising debt.

Another concern is the deceleration in plan expenditure. It rose by only 15 per cent against 31 per cent a year back. If inflation figures are taken into account actual raise in allocation is far lower. It is certain to impact the developmental aspects and affect the people at large.

That the common man is losing is testified by the personal income-tax figures which have come down by 19.7 per cent to Rs 13,117 crore from 16,345 in the same period last year. The government has yet not come out with a strategy to help the individual tax payer. High inflation is eroding his earning and high taxes are leaving little with him for spend-



***Dividend that should have gone to create infrastructure and strengthen the public sector enterprises are being utilized to meet government expenses.***

ing. Unless he spends there would not be a real revival of the economy. Panacea suggested by corporate leaders to the government to borrow more and disinvest public sector companies is not at all the solution.

Government expenditure is maintaining a rising momentum. This puts the government in a catch 22 situation. If it does not spend progress is hit. If it does not give relief to the individual tax payer – rate cut of income-tax rates - there would not be boost to the market spending. It can not raise other taxes as well because that too would have detrimental effect.

The growth of loans by banks has been slow despite the huge liquidity with the banks. Non-food credit – borrowings by industry and others for productive purposes - grew by 11 per cent year on year as on December 4 as against 26.3 per cent in the same period in 2008. According to the Reserve Bank of India weekly statistical supplement the total bank credit year on year as on December 4, 2009, was Rs 2,77,479 crore compared to Rs 6,27,529 crore on Dec. 4, 2009. Against this the deposits increased to Rs 6,61,064 crore in 2009 over

Rs 6,27,529 crore in 2008.

This indicates that the stimulus is not benefiting the economy, though it is boosting individual corporate profits. The government needs to reconsider the decision.

It also has to take stern steps, just not cosmetic rhetoric, to control the prices. High prices again benefit some corporates but the economy is suffering. It has to act with short-term and long-term strategies.

In the short-term it has to rejuvenate the PDS, so that the market knows that the people have alternative to meet their needs. In the long-run, the government has to have a pragmatic agriculture policy, where both the market and government would have a role to play. So far all strategies are half-hearted and it appears as if the government is on “daily wages”.

Dilly-dallying attitude of the government does not suggest there would be any relief either from high prices or other malaise. Growth is not real. It is more propaganda. The nation is in abyss and must wait for far more difficult days. □□

The writer is senior economic and political affairs journalist and ex-Sr Editor, The Financial Express (shivajisarkar@yahoo.com)

## Attack on developing countries in guise of Internet freedom



*State control over the content of internet appears to be inevitable. Government has the inherent right to filter such information that it deems harmful for the welfare of its people. Possible misuse shall be checked through Good governance & benign control of the internet instead of seeking unrestricted freedom suggests Dr Bharat Jhunjunwala*

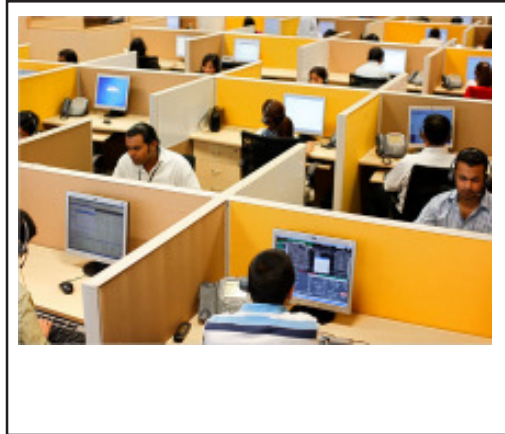
The Chinese Government has required internet providers to block pages relating to Tibet freedom, Taiwan unity, police atrocities, Tiananmen Square and Falun Gong. U.S. Secretary of State Hillary Clinton has bashed China for this. She said: "We stand for a single internet where all of humanity has equal access to knowledge and ideas... We do not tolerate those who incite others to violence, such as the agents of al-Qaida who are, at this moment, using the internet to promote the mass murder of innocent people across the world... Those who use the internet to recruit terrorists or distribute stolen intellectual property cannot divorce their online actions from their real world identities. But these challenges must not become an excuse for governments to systematically violate the rights and privacy of those who use the internet for peaceful political purposes." Two distinct themes emerge from this statement. One theme is of Human Rights. Other is that of Intellectual Property Rights.

Central to the Human Rights aspect is the values held by a society. Every country places limits on individual freedom. Secretary Clinton admitted that all societies recognize that free expression has its limits. She disagreed with China on how these limits are imposed, which is fine. But more important-

ly, the U.S. imposes various restrictions on the net. The Digital Millennium Copyright Act criminalizes the discussion and dissemination of technology that could be used to circumvent copyright protection mechanisms, and makes it easier to act against copyright infringement on the Internet. The Department of Defense filters certain IP addresses, which makes it impossible for an individual located in the U.S. to access these sites. Google servers in Denmark and France remove Neo-Nazi and other listings in compliance with German and French law. The Western countries, therefore, do not espouse complete freedom of the internet. The restrictions follow the values of these societies. The United States supports property rights on knowledge and Europe abhors Nazism, hence the restrictions.

China has alleged that the U.S. has used the internet to promote opposition to the Islamic Government of Iran. This also is interference in the free working of the internet. The people of Iran should have the freedom to choose what information they want to read. They should not be 'forced-fed' particular information. That is reverse censorship.

The restrictions imposed by



***The real objective of the U.S. in raising hue and cry over Chinese censorship appears to be protection of Intellectual Property Rights owned by its companies.***

China appear to be similar. The U.S. holds Al-Qaida and France holds the Neo-Nazis as anti-national. China holds the demand for Tibetan and Taiwan Independence to be anti-national. I am not supporting China's branding of Tibetan and Taiwanese as anti-national. Personally, I support the culture of political freedom prevalent in the United States. But what is anti-national and what is not is a matter of debate. It will be obvious that every country has to determine its own



definition of good and bad. The underlying principle is that if the U.S. has the right to prohibit Al-Qaida then China has the right to prohibit Falun Gong. It should certainly be debated whether such prohibition is appropriate or not. But that is a separate issue. We cannot surreptitiously take a position in favour of Falun Gong in the guise of Internet freedom.

The real objective of the U.S. in raising hue and cry over Chinese censorship appears to be protection of Intellectual Property Rights owned by its companies. Secretary Clinton said in so many words that those who use the internet to distribute stolen intellectual property should be punished. But other societies may not support this. 'Knowledge for profit' is a debated matter. I personally oppose all commercial use of knowledge. Knowledge should be free for all humanity. Many developing countries opposed the inclusion of copyrights and patents in the WTO. But the U.S. is the leader in holding patent rights and stands to lose the most if these are disseminated on the internet, therefore, Secretary Clinton classifies knowledge as 'stolen' and is demanding that internet should not be used to distribute the same.

Other U.S. companies support interference in the working of the internet when it suits their commercial interests. A report on 24/7 Wall Street says: "(Bill) Gates views China's online screening efforts as 'very limited'. Gates said that companies should abide by the local laws in the nations where they do business or get out. Gates is friendly with senior Chinese officials and has used this relationship to get the government to crack

down on the piracy of Windows. He is now siding with Beijing, and potentially gaining favor, by indicating that Google should follow Chinese laws as a matter of good international business practice. Gates understands that if Google leaves China it will be an extraordinary opportunity for Microsoft's Bing search engine to gain market share in the world's largest internet market."

In another article Brenna Coleman tells how U.S. companies are opposing free operation of the internet to protect their commercial interests: "Net neutrality is the principle that consumers and internet users have a right to all forms of online data. Although internet neutrality has always been an inherent concept of the internet, it is not protected by law. Major telecom companies, such as Verizon, Comcast, and Time Warner Cable, have spent hundreds of millions of dollars on lobbyists to encourage Congress to dissolve net neutrality." These companies are demanding that they be permitted to interfere in the free functioning of the internet. They should have the right to prevent pages of their competitors from loading, for example.

It is clear that the position one takes on Internet freedom is dictated by commercial interests. Bill Gates and Time Warner oppose freedom because it suits them. Secretary Clinton supports freedom because it supports the strategic and commercial objectives of the United States in her assessment. She said so in as many words: "Censorship should not be in any way accepted by any company from anywhere. And in America, American companies need to make a principled stand. This needs to be

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***It is clear that the position one takes on Internet freedom is dictated by commercial interests.***

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part of our national brand. I'm confident that consumers worldwide will reward companies that follow those principles." She seems to believe that freedom is commercially lucrative hence that demand.

It appears to me that state control over the content of internet is inevitable. It is the solemn responsibility of the government to promote the welfare of its people. It has the inherent right to filter such information that it deems harmful for the attainment of this objective. Indeed, tyrannical leaders can misuse this window. It is possible that such may be the case in China. But the solution of such misuse of authority is to oppose that bad governance. Internet freedom is not the way to establish good governance. Just as a patient does not give up taking medicines if administered wrong dose by the nurse, similarly we cannot remove state control over the internet because of misuse of this authority. Should we persist, we shall fall into the fire from the pan. We shall invite problems of planted- and false information while escaping from the tyrannous control of the internet. The result may not be desirable. We should stick to the right policy. State control over internet appears to be necessary. We should focus on securing good governance and benign control of the internet instead of seeking unrestricted freedom. □□

Author's address: bharatj@sancharnet.in

# Restructuring Education System for bright future of India

**Ankit Bhargava** analyses some provisions of the Right to Education act and suggests several steps for improving equability & quality of education.

First and foremost, it is important to note that the Constitution guarantees education for every Indian Child, not just at elementary level, but to the age of 14: Primary education cannot be the cut-off if education is to contribute to employability and the attribution of relevant life skills. Free and Compulsory Education to all children up to the age fourteen is Constitutional Commitment in India. The parliament of India has passed Right to Education Act through which Education has become Fundamental Right of all Children of age group 6 to 14 years.

The Country is yet to achieve the elusive goal of Universalisation of Elementary Education (UEE) which means 100 Percent enrolment and retention of children with schooling facilities in all habitations. Education is a fundamental right that no government can deny, but only the passing of the Bill will ensure access to schooling for every Indian child-particularly as the government considers reneging on its promises to children in India and asking individual States to provide a greater proportion of investment in Sarva Shiksha Abhiyan (SSA).

State governments may be unable to meet the additional fiscal requirements demanded by the Bill, and central government will therefore be mandated to fund additional increases as a proportion of the annual budget. This need to be a



definite commitment, with the required money earmarked specifically for the purpose of enacting and realizing the right to education in India. However, the implementation of this historic legislation is fraught with multidimensional challenges.

## Key Provisions of the Bill Include:

25 % Reservation in Private Schools for disadvantaged children from the neighbourhood, at the entry level. The government will reimburse expenditure incurred by schools; no donation or capitation fee on admission and no interviewing the child or Parents as part of the screening process.

Under this legislation, private schools must guarantee to admit at least 25 per cent of children from poorer sections without any cost to these families.

It sounds good but Bill is silent on framework to apply this

***If the poor boy cannot come to education, education must go to him.***

clause and the manner in which to regulate private schools for the very purpose of this legislation.

*For example:* In Delhi, Even as on date there is a provision for granting 25% admissions to the underprivileged children without charging any fee, where the land has been allotted to these schools at a very low cost. Very few schools are complying with this provision even though the provision has also been upheld by the court of law. So, this is the situation in Delhi,

We can understand, what would be the scenario in the Rest of India?

The Bill also prohibits physical punishment, expulsion or de-

tention of a child and deployment of teachers for non-educational purposes other than census or election duty.

Most of our Teachers are Products of faulty education system and with this kind of so-called teachers we want to develop & create winning Personalities in the form of young generation Children. How is it Possible?

If we really want Revaluation in Education, we have to revolutionize our teachers or we have to create true teachers first. Teaching is an art which has power to understand & experience science of the teaching learning methods.

Then only we can ensure *"Every Child in School and Learning well"*.

Some provisions for improving equability and quality of teaching in schools are:

Minimum qualifications are to be decided for teachers by an academic authority decided by the central government. Teachers presently in the service will be required to acquire these minimum qualifications within five years, if they do not already possess the same. The act calls for a fixed Teacher: Student ratio in schools. Disciplinary action will be taken against defaulting teachers.

After the passage of the right to Education Bill: Elementary school education is now compulsory & free but several questions remain, including how children outside the 6-14 age group will be covered, & how the neighbored schooling system will be implemented.

**Child Labor and education:** The failure of the state to provide free and compulsory Education, especially for the poorest and marginalized, is often listed as one of the leading causes of the continu-

ance of child labor in the country. Although many children manage to combine work and school attendance, there is a clear trade-off between the two activities. I would like to ask a simple question I am not talking about India as a whole, is it possible to experiment how Right to Education bill can solve problem of child labor in Delhi, the national Capital of India?

If answer is No, it is not good for the authenticity of our constitutional commitment. It is time to come together with the feeling of oneness and to leave vested interests for the well being of Indian cultural Society, for the vibrant

***In Rural India of ancient times there was a proverb:***

***● If you are planning for a year, plant coconut. If you are planning for five years, cultivate rice. But if you are planning for the future, send your child to the school.***

consistent parliamentary democracy and for the multidimensional development of multicolor India.

**Critics of the Bill question the age provision:** They say children below six years and above 14 should be included. Also the government has not addressed the issue of shortage of teachers, low skills level of many teachers, lack of educational infrastructure and ambience in existing schools let alone the new ones that will have

to be built and equipped.

- The Planning Commission expressed its inability to fork out the money; the state government's said they were unwilling to supply even part of the funding. The center was thus forced to think of footing the entire bill itself.
- Leaving out the 0-6 age group has a number of deleterious consequences. Firstly, it disembowels almost 15 crore children who belong to that age group. Secondly, lack of pre-primary education results in "poor vocabulary and poor conceptual development of mind" leading to learning problems and subsequent high dropout rates.
- The second major criticism is the lack of provisioning for the 14-18 age groups. Only 10% of children complete higher secondary, largely because of the chronic unavailability of Secondary Schools. Elementary Education alone is not sufficient to equip the vast majority of the young generation with the skills needed to develop a Knowledge economy.
- While the Bill speaks of 'equitable quality' of education, it fails to address the inherent inequality already prevalent in the government school system between the premiere Kendriya vidyalayas and state run local primary schools.
- The Bill fails to provide a definition for the term 'neighborhood' and leaves this open to notification and thereby open to interpretation and variance. The distance of the school is one of the key factors in ensuring enrollment and attendance, especially for girls as parents are

reluctant to send girls to a school that is too far away.

- Lacks of specific provisions for the girl child are another drawback. Enrollment rates for girls have been far behind those of boys, as girls are made to sit at home for domestic chores and the care of siblings. Lack of keen sensitive and qualified teachers is one of the main reasons for poor learning and high dropout rates.
- In section 12 of the RTE Bill, the government directs the inclusion of students from economically weaker sections, but without setting reasonable terms of compensation to the schools.

Summing up the inconsistencies in the section, Madhav Chavan (Director, Pratham) has the following questions for the Government; *"What is the basis of calculation of the per child expenditure"* that the government will pay to unaided private institutions for admitting the 25% children from weaker section?

In Fairness, the government should at least pay private schools in line with the quality of facilities offered or the equivalent per child expenditure it occurs in its own high performing government schools (such as Kendriya Vidyalaya, Sainik school).

According to the 2001 census, 35 percent of India's population lies in the 0-14 age group. Providing for universal elementary education for these 36 crore children is backed by three broad and compelling arguments.

The first is the importance of the role of education in the right to life and empowerment, by providing scope for equal opportunity, dignity, improvements in living conditions and freedom from caste

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***Everyone will not get everything; this is the way of life. Don't try to get which is not yours but don't dare to lose which is yours. Education is yours, don't forget Education for all.***

---

and social divides.

The second argument is the far-reaching impact that education can have on a host of other development indicators: Health, Family planning, child labor and overall Indian Social Personality as a whole.

The third is the larger economic need to create a pool of well educated workers indispensable for the development of a 21<sup>st</sup> century Knowledge based globalized Economy and Knowledge based Indian Society.

Allocation for Education goes up by over 25 per cent. With the government deciding to implement the Right to Education Act from April this year, the allocation for education sector witnessed an over 25 per cent increase in the budget 2010 with the major chunk of the funds going to elementary education. The total allocation for education increased from Rs 36,400 crore in 2009-10 to Rs 45,711 crore in 2010-11.

In the backdrop of the decision to implement the Right to Education Act from April, the allocation for elementary education, which was Rs 26,800 crore last year, has been increased to Rs 34,711 crore in this year. This money includes Rs 3,675 crore earmarked

under the Thirteenth Finance Commission grants for 2010-11. The allocation for higher education has gone up from Rs 9,600 crore last year to Rs 11,000 crore this year.

It is good that the central government is spending lot of money through Sarva Shiksha Abhiyan, but now the question is whether the students are getting quality of education? If not, what could be the wrong?

The wrong is the concentration is diluted. I suggest that that government should select such schools where the government can give 100% Infrastructure. Government should improve the conditions and ambience of Government schools. We have to understand there is no alternative of Government schools. Only Government school has power to create environment in which we can implement our education policy in the form of Right to Education for vast country like India.

In the words of M.R Madhavan The new 'Right to Education' Bill is more about good intentions less about deliverables.

The Bill focus appears to be on infrastructure to and enrolment and not to see that children who go to school actually learn. The government apparently believes that an Act of the parliament is needed to ensure that teachers attend school regularly and punctually. We need one more act before Right to Education, "Responsibility for Quality Teaching Act" for proper implementation of Right to Education Act and Innovative changes in the Indian educational environment as a moment to change the face of Country with Power of Knowledge. □□

The writer is a Study Project Coordinator (Elementary Education) in Swadeshi Jagaran Manch.



## Proposed Vedanta University is real estate business: Gurumurthy

 **Ananda Shankar Panigrahi**

**P**roposal by NRI businessman Anil Aggarwal who owns Vedanta Aluminium Company, to set up a “world class” university on Puri-Konark marine-drive in Orissa has disturbed the people of state. This was evident by the number of concerned people joining a state level convention on proposed project in Bhubaneswar.

Eminent columnist and economic thinker S Gurumurthy, national co- convener of Swadeshi Jagaran Manch, has dubbed proposed Vedanta University as real estate business of Vedanta group than any academic endeavour.

Addressing a state level convention on proposed Vedanta university organised by Swadeshi Jagaran Manch (SJM) Bhubaneswar in the IDCOL auditorium Shree Gurumurthy urged people of Orissa to oppose it ‘mightily and loudly’.

Opposing Vedanta’s claim of developing a world class university, Gurumurthy said if the state Government was sincerely serious for a world class university it would have instead of sealing the deal with Anil Agrawal’s Vedanta singularly gone for a competitive global bid.

Saying that Vedanta has no expertise in academics, Gurumurthy added that the preparedness of the company to agree to develop its campus in 6,000 acres instead of its original demand of



### Fact-Sheet on Proposed Vedanta University in Odisha

#### The Promise

- In July 2006 Govt. of Odisha signed an MoU with an NRI businessman Mr. Anil Aggarwal who owns Vedanta Aluminium Company, to set up a “world class” university on **Puri-Konark marine-drive**.
- The company has promised to invest 1.2 billion US dollars (approximately Rs. 5,40,000,000,00000.00(five lakh forty thousand crores) for setting up the university in 3 phases.
- The university will be the largest in the world with a student intake of 1,00,000(one lakh) per annum and a total work force both teaching and non-teaching of 5 lakhs.
- It will have state-of-the-art research facilities and will be able to produce “Nobel laureates” in the future.

#### They want

- 10,000(ten thousand) acres of double and triple crop agricultural land. (After the initial hue and cry the figure has been reduced to 6270 acres)
- 11 crore litres of water every day.
- All facilities for producing 600 megawatts of electricity.
- 4-lane highway connecting Bhubaneswar airport with the university to be built by the State Govt. The ownership of the highway and the land on both sides will remain jointly between the university and the State Govt.
- Exemption of stamp duty and other taxes on the purchase/sale of all construction equipments for 20 years. The approximate

value of this exemption is around 10,000(ten thousand) crores of rupees.

- A **State Law** whereby the State Govt. will not have any kind of control or intervention in the affairs of the university and the state reservation rules will not be applicable in the admission procedures for the university .
- The area falling within 5kms radius from the University campus be declared a **no-construction zone** and the university will decide the land-use of the aforesaid area. It is also to be noted that the 5kms radius area includes whole of Puri town and 117 revenue villages.
- In future the State Govt. has to fulfill whatever the university feels necessary.

### People's View

- We are not opposed to the establishment of the university *per se*. But our opposition is based on the following facts-
  - a Where is the need for such a huge amount of land i.e. nearly 7000 acres. Most of the reputed and Nobel winners are from universities like Harvard, Chicago, Massachusetts have less than 500 acres of land. What is the link between Nobel Prize and huge tracts of valuable agricultural land?
  - b The acquisition will displace nearly 10,000 families who are living in the area and they will lose their livelihood forever.
  - c Besides the land to be acquired, as per the terms of the MoU, the surrounding lands extending over 5kms from the university campus, will remain under the mercy of the university authorities who will decide their land use which tantamounts to illegal occupation of the land.
  - d The proposed land includes 500 acres of endowed land of **Lord Jagannath Temple, Puri**. The govt. is not going to sell underpriced but also selling those properties which are sacred and have the emotions of crores of Hindus attached to it.
  - e The proposed land, according to various survey reports of Indian Rare-Earth Corporation, contains lot of valuable deposits like zirconium, Uranium, Thorium and other radio-active minerals. Today, the value of this sand is estimated at more than 50 thousand per ton. (22 applications from big industrial houses are pending before the district administration for mining rights on the seashore "The Samaja")
  - f Where is the need for 11 crores of litres of water per day? At a rate of 80litres p/h per day, 11 crore litres will cater to 13 lakh 75 thousand people. But the maximum capacity, after the completion of the final phase of the university, according to their own data, will be just 5 lakh people. Therefore, we have all the reasons to believe that the land, besides the university's requirements, will be used for luxurious hotel, resorts and golf-courses which are not part of the MoU. □

10,000 acres on public protest makes logically clear that the company is interested to grab land for its ulterior motive.

Land is more precious for India than America or China, he said, adding further that comparatively both the countries have less density of population making per capita land availability much higher there than in India. Dr. Pradip Chandra Tripathy former VC of Sampalpur University and columnist Barendra Krushna Dhal also addressed the convention. Both opposed the proposed university tooth and nail. While Dr Tripathy opposed proposed academic curriculum, Mr Dhal smelled huge corruption by Government and senior officials in allowing Vedanta to set up the university.

In a resolution moved in the convention student leader Govinda Nayak said proposed Vedanta University was not only against interest and self esteem of people of Orissa but could pose a threat to national security as huge deposit of thorium as admitted by centre has been traced in the area the university is proposed to be set up. A compilation of articles published by Barendra Krushna Dhal was also released in the convention.

SJM national Co convener Saroj Mitra, Puri based Vedanta Sangharsaha Samiti leaders Benudhar Pradhan, Umaballav Rath, BMS leader Krushna Chandra Mishra, Puri Zilla Parishad Chairman Shankar Parida, Farmer leader Mohini Mohan Mishra among others participated in the deliberations opposing the university. Shatrugun Tarai, State Co-convener, SJM proposed vote of thanks. □□

## End of an Era A Tribute to Nana Ji Deshmukh

 **G. Raina**

“In Chitrakoot, I met Nanaji Deshmukh and his team members belonging to the Deendayal Research Institute (DRI). DRI is a unique institution developing and implementing a village development model which is most suited for India. Apart from all the development activities, the institute is facilitating a cohesive conflict-free society. As a result of this, I understand that the 80 villages around Chitrakoot are almost litigation-free. The villagers have unanimously decided that no dispute will find its way to the courts. The differences will be sorted out amicably in the village itself. The reason given by Nanaji Deshmukh is that if the people fight among each other, they have no time for development.” This is how Former President Dr. A.P.J. Abdul Kalam has lavished praise on Nanaji Deshmukh and the organization started by him. He goes on to say, “I consider that this model may be propagated in many parts of the country by societal organisations, judicial organisations and government.” Dr. Kalam is not the only person to lavish praise on this modern day rishi. Whosoever came in contact with Nana Ji loved him, admired him and were inspired by his gleaming personality that resembled his spotless white beard and matching robes.

Nanaji Deshmukh was born on October 11, 1916 in Kadoli, a small town in the Parbhani District of Maharashtra. His long and eventful career was full of strife

and struggle. His keen desire to learn encouraged him to work as a vendor and sell vegetables to raise money to fund his education in spite of humble economic background. He lived in temples and received a higher education at the Birla Institute in Pilani before becoming an RSS activist in the nineteen thirties.

Continuing to follow the ancient rishi order, Nanaji like Dadichi donated his body for medical research. The body was donated to the All India Institute of Medical Sciences (AIIMS) as he had wished.

Paying tributes to Nana ji Naim Naqvi recalls one comment of Nanaji: “Whenever and wherever there is a Hindu Muslim riot in any part of the country I try to go there and I always go without police protection. I never carry any arms with me for my protection either. Why? Because I know that riots are the eruption of pent-up emotions. Once the negativity fizzles out sanity returns. All human beings are good by birth. That’s the only truth.” I believed then and I still believe, Naim adds, that he was speaking from the bottom of his heart. My respect for him was not misplaced.

In 1967 Nanaji played a crucial role in forming the government of United Legislative Party as he enjoyed good relations with Chowdhry Charan Singh and Dr. Ram Manohar Lohia. He was successful in bringing leaders of different political backgrounds on one



Nanaji Deshmukh (1916-2010)

platform to give Uttar Pradesh its first non-Congress government. Nanaji actively participated in Bhoodan Movement started by Vinoba Bhave. He was inspired by the success & appeal of the movement.

During Emergency a procession led by J P was taken out in Patna. As the procession wound its way through the roads of the state capital, the police made a lathi charge. It was believed that Babu Jayprakash Narayan was the ultimate marked target. The final assault came when J.P’s supporters were escorting him to safety. One of the supporters sprang to his leader’s protection, covered him and took all the lathi blows on himself. That man was none other than Nanaji Deshmukh. One of his arms was fractured in this daring effort. J P and Morarji Desai publicly praised the courage shown by Nanaji.

He was offered the Cabinet portfolio of Industry. Nanaji spurned the overture. In 1980, when he turned 60, he opted out not only from the electoral fray but also politics. He later devoted himself completely to social work, lived in ashrams and never projected himself. He was awarded Padma Vibhushan in 1999. □□



## Babu Genu Remembered



Swadeshi Jagaran Manch Jabalpur observed the martyrdom day of Babu Genu Sayyid on 12<sup>th</sup> January 2010 in Gohalpur. This function was first of its kind organized by the local unit of Swadeshi Jagaran Manch. The large number of activists present on the occasion along with prominent citizens of Jabalpur paid glowing tributes to the 22 year Shaheed Babu Genu Sayyid. Babu Genu it must be remembered offered supreme sacrifice of his life at the prime of his youth in 1930 for the sake of Swadeshi. Swadeshi Jagaran Manch observes the martyrdom day of Babu Genu every year as an important occasion for the profound significance of the message contained in his life. Babu Genu was killed on 12th December 1930 in the most gruesome manner while attempting to stop a speeding truck in Mumbai from carrying imported materials from Britain. Babu Genu lay on the ground before the speeding truck in the New Hanuman Road at Kalba Devi at around 11 AM on that fateful day in an attempt to prevent



foreign goods from entering the Indian soil.

Sh. Sharad Aggarwal, state convener of Rashtriya Swabhiman Aandolan was the keynote speaker on the function in Gohalpur. Dr. Jeetendra Jamdar was Chief Guest and Sh. Anwar Bhai 'Annu' the guest of honour.

Speaking on the occasion Sh. Sharad Aggarwal said that Indian freedom was not possible without Swadeshi movement. Sacrifice of



## The Moving

[kashmirilal@rediffmail.com](mailto:kashmirilal@rediffmail.com)

martyr's like Babu Genu sharpened this 'weapon' of 'swadeshi'. Swadeshi in the process strengthened the struggle for independence. Our freedom struggle itself was a platform of swadeshi, he added. He was of the opinion that Swadeshi was the "mantra" for national unity even at present. Paying glowing tributes to Martyr Babu Genu and remembering his commitment to the idea of Swadeshi, Sh. Aggarwal demanded construction of a suitable memorial dedicated to the memory of great martyr and appealed to town Area Committee to take initiative in this regard.

Dr. Jeetendra Jamdar highlighted the inspiring life of Babu Genu. In 1930, an era when the movement for freedom was peaking, Babu Genu through his life of commitment inspired not only his contemporaries but generations to come. He was living embodiment of patriotism, Dr. Jamdar added guest of honour Sh. Anwar Bhai Annu while addressing the gathering said that Babu Genu was first Muslim youth to sacrifice his life

after being inspired by the teachings of Mahatma Gandhi. He asked people to follow the footsteps of great martyr. □

## M Phil in Swadeshi by a Pune Researcher

For the first time I met a teacher who has done his MPhil on the topic of use of Swadeshi products by students. The researcher, Girish Yelarpurkar, a commerce lecturer of Pune is otherwise also an activist of Swadeshi movement and has done the research with an idea of serving a mission. What are his findings: in general very



encouraging and persuasive. 86% students on which he based his survey possess the knowledge of swadeshi movement, 50% cast their vote for a reasonable quality of Swadeshi products and 78% also think that Swadeshi is not an exaggerated but a correct national concept. Moreover 89% think that increasing consumption of Swadeshi goods would leave an impact on economic development of our country. On practical aspect 61% prefer a Swadeshi brand so far as food items are concerned. This is the encouraging part of the story and his research. Let us now turn to the gloomy aspect.

81% students prefer non-swadeshi brands so far as toiletries items are concerned and in general items too they generally prefer



the foreign goods. Answering the question that when you are purchasing an article, do you think whether it is Swadeshi or not, 78% simply do not think. Moreover 56% tell that Swadeshi is irrelevant and outdated concept in the era of economic reforms. So the conclusion drawn is though there is an inner pull for Swadeshi in their minds on the conceptual part but in practical aspect they are adopting the MNC's products. So there is need for more efforts to acquaint them with different aspects of Swadeshi movement.

Let me tell you that the random survey was conducted among 550 students of 10 colleges of Pune and faculty was commerce everywhere in the year 2006-07. The complete topic was: "A study of awareness about Swadeshi goods in the context of liberalization, privatization and globalization among the higher secondary students in the prominent city colleges in Pune city." Girish is thinking of doing Phd on the same subject and is also a trend setter for others to invigorate the swadeshi movement by this way also, that is by choosing such relevant to Swadeshi subjects for research work. Such type of survey can be conducted in any locality or group of people in general also by sawdeshi activists. □

### **South Indian Workshop on Hind Swaraj and Gurumurthy speaks.**

Popularity was not the guiding force to write Hind Swaraj; in fact Gandhi was swimming against the current. His deeper insights found in the book on Indian Tradition make us understand the courage and conviction he had to write things that were unpopular

at that time, said S Gurumurthy, a renowned columnist and National co-convenor SJM. The occasion was one day seminar on 27th February off our south Indian states in Vivekanand College in Tiruvedagam, near Madurai organised jointly by the Centre for Indian Economic and Cultural Studies and this College.

Addressing the symposium on 'Centenary of Hind swaraj and its contemporary relevance, he said that it was written as a manuscript and not a book by Gandhiji in Kidolman Castle ship between November 13 and 22, 1909. It ran over 275 pages and was not written with great contemplation but an afterthought. Gandhi was speaking against the modern civilisation which was not a popular idea then. Even his friends and party men made a mockery of the ideas expressed in the book, but stuck to it even in 1940 and did not change even a single word of it in next editions. He explained that it was the thought in book which was most important. A great work which defined civilisation as a moral enterprise and explained the implications of the fall in moral standards in society following material prosperity. The work accounted for the theoretical basis of Gandhi's life. He opined that the invasion of the British was comprehensive; it was an effort to conquer the mind of Indian way of life, its culture and make it illegitimate.

#### **CONTEMPORARY SITUATION:**

He said that not only the contents of the book but its contem-



porary relevance is the topic which interests us the most, and it is beauty of Hind Swaraj that it is most relevant today in all aspects of life. He dwelt at length on the theory of sociologist Max Weber who believed that Protestant ethic was the driving force behind the development of capitalism in America as it attributed moral significance to entrepreneurial activity and lent meaning to the existence of those committed to it. Weber also believed that India did not have the entrepreneurial spin and the capitalist architecture. Moreover he was of the belief that it was fit only for Protestant Christian ethic and not for Buddhist and Hindu tradition to do the same.

He claimed that it was the Indian family system and the practice of saving money which saved India from the global economic crisis. The saving in India would touch 47% of the GDP in 2016. He cited a report from Goldman Sachs, a US-based investment and banking firm that said that India's house-hold savings would reach \$800 billion. Moreover these savings would take care of its \$1.7 trillion investment needs for infrastructure projects in the next ten years. This he said was in sharp contrast to the US which has heavily borrowed from China and other

countries to finance its needs. He hammered again the point that this global economic crisis was brought about by the economic models of the West and resulted in chaos for which there was no predictable end. He also mocked at the attempt made in October 2008 to analyse the cause of the crisis by five Nobel laureates was a dump squib. "They could not agree on the cause of the crisis, so where was the question of finding a remedy?"

He concluded that India is placed in an unenviable position to make giant strides in economic development and poised to drive global economic growth. So the time has come for us to take charge of the global debate on various issues, and Hind Swaraj is a model of this debate.

Dr. MD Srinivasan gave a

brief analytical study and summary of the Hind Swaraj and unfolded the future plans for research work on this monumental work. Swamin Parmandji, secretary of the college expressed his blessings and principal Vanyarajan ji thanked all. In the next panel session, Prof. Kumaraswami ji gave a interesting analysis of the western economic thinkers like Adam-Smith who openly opted for unethical means to earn profit vis a vis Gandhi who advocated that both ends and means should be ethical. He opined that Gandhi was right when he gave the epithet of a prostitute and barren women to British Parliamentary system which we have copied. He quoted extensively the data of growing number of corepatis and kharabpatis in the Indian parlia-

ment. I gave several examples of practicability of the ideas expressed in this book. Dr. Srinivasan, convenor of the symposium delved deeply into Gandhian ideals of religious harmony, the subject of his doctoral thesis. In the second panel session two young lecturers spoke well on science and technology and tradition and modernity and also dwelt the issue very well. In the concluding session renowned authority on Indian economic issues, Prof Vaidyananthan and Gurumurthy ji spoke wherein he urged for the follow up action from the participants in the form of doing programmes on this issue and involvement of the general masses on this subject.

About 150 participants were really satisfied with the effort. □□

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# Universalisation of Education; some suggestions

**The Beautiful Tree: A Personal Journey Into How the World's Poorest People**

 **Vikramjit Banerjee**

*A short book review "The Beautiful Tree" by James Tooley published by Penguin / Viking.*

I came across James Tooley's book "The Beautiful Tree" a few days back. It is a much talked about book these days and very much in the news, bringing forward a radically different take on universal education and how to achieve it, than what we are used to, being brought up on the idea that state based education system and government schools are the solution to the problem of lack of education in India.

The book tries to provide solutions as to the perennial questions as to why even after huge expenditure on attempting to educate our people and providing free education, there is increasing lack of education amongst vast groups of our society. It comes up with wonderful insights into the present education system, but what is more, is that it says that Tooley finds the solution to his problems of the failure to provide universal education outside the west on Indian models of education, which were ruthlessly destroyed by the British so as to make India more "modern".

## The Book

The first part of the book is about Tooley's travels throughout the world, whether they be in India, Africa and China, where he realizes that private schools for the poor and those unable to suppos-

edly afford education actually exist in every country, even though some governments like China deny their existence.

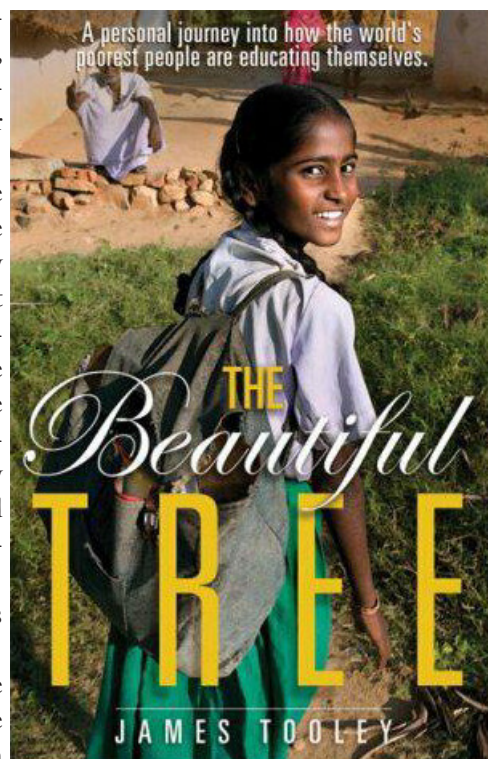
The first parts of the book also discusses what are the broad points as to why even though Government schools have much better facilities and in most cases free, even then poor parents like to send their children to private schools, where they have to spend money and where the facilities were extremely marginal.

The possible reasons which Tooley discusses are:

- i The poor prefer private schools since they realize that teachers "teach" in private schools;
- ii The poor realize that private schools are sensitive to their needs, like even deferring payment of school fees over a period of time;
- iii The teachers were mostly absent in government schools and therefore there was literally no teaching there;
- iv There also seemed to be what he calls "social distance" between the teachers and the students, where the teachers thought that they were superior socially than the students whom they taught;
- v That the conditions of studying in the Government schools were not conducive to healthy study;
- vi The education standards of the Government schools were very poor;
- vii That apparently statistics shows that the schools were clearly unable to reach the poor even though it was free;

The next question which Tooley faced was, does that mean that there should be more and better funding for Government Schools?

According to Tooley this was





not possible since Government corruption was an integral part of the system and what is more is that the poor do not have a voice in the political process and the state controlled by “politicians and administrators” do not care about providing services to the poor since mostly budget is allocated to meet political interest and education of the poor is the least amongst all the priorities. Moreover he is of the view even if the Government was keen to hear the voices of the poor on education, the frontline workers, be they the teachers or the employees of the schools may not be interested, since they are not accountable to anyone else and they would be reluctant to be held accountable.

He then provides large amounts of statistics to prove the above mentioned points. He specifically mentions that it is a fact that though the government schools paid their teachers much more than private schools, the teachers in private schools were much more motivated as teachers.

He then goes about discussing the objections to private schools and he lists them broadly as:

- i that it was dangerous and in the hands of the wrong people it will bring to end of state education ; this is not a valid objection according to him since any system would be good if it can facilitate education , private or government should not matter;
- ii that the poor may not be able to afford the private schools incase of sudden financial emergency ; He says it is not true since the poor do actually go out of their way to allocate their earnings in such a way so

that they get their children educated as they know the value addition which education can bring to their children and he says school owners are reluctant to throw out children for non payment of fees and more often than not ready to accommodate the students and their parents;

- iii that Government education is pro-poor since the poor cannot afford private education , he says it is not true since this problem can be got over by ensuring that the Government compensate the private schools for the education they give to the number of students which are sponsored by the Government ;
- iv Education is a human right ; he says that it may be so but the needs of education can be met through newer methods rather than the old government school system;
- v That Europe and USA, depended on public education to educate all, and what worked for Europe and USA must also work for India and others, he says that this is not true since according to him, there is a great amount of evidence that during the said period of education in Europe and USA, though the credit is given to the state most of the education was indeed conducted by philanthropic institutions and the church.

It is in that context then he goes into the history of education in India, basing himself on Dharmapal's book “The Beautiful Tree” on which he names his book also: This is chapter 11 and I find the most important chapter in the

whole book:

Tooley quotes Dharmapal's quotation from Gandhiji , where Gandhiji came down heavily upon the Government schools and said that universal education was not possible in the said method and said that the only way possible for universal education in India was through the “old model” of the village schools and school master .

In a very lengthy chapter he discusses as to how the British carried out a survey of schools in the 19<sup>th</sup> Century and were surprised to find that instead of having very little education, India had a large number of schools and very large parts of the Indian population was being educated in the said schools and these schools catered to all sections of the society. The British were so surprised that they undertook a study of the funding of these schools and found out to their surprise that the funding was completely private. He says however the said statistics were criticized by some other Britishers and he names Phillip Hartog and William Willberforce who thought that the quality of these schools were very low since they were responsible for the Indians being “deeply sunk , and by their religious superstitions fast bound , in the lowest depth of moral and social wretchedness” . Tooley says that Karl Marx believed that the biggest tool of history was the English education of India. As for payment the British believed that the schools were bad because the teachers were badly paid and there was no adequate” school houses” , thereby leading to laying down of specific regulations as to what constitutes schools and the guidelines that it may have to follow . The British



acknowledged clearly that the courses in the schools were more practical applicable than even the schools in Scotland and even recommended the use of the methodology in England itself. The method was brought into Britain under the name of the Madras Method, wherein senior students were given responsibility to educate junior students and was a stupendous success. He says that Dharma-  
mapal mentioned the man who took the system to England in his book, a certain Dr. Andrew Bell. He said the British in response tried to reform the indigenous schools by getting some teachers educated in formalized westernized education and setting up westernized schools and failed. He says that the reasons for the failure were (i) there were never adequate people interested to teach in village schools from outside the village (ii) it was apparent that in the new schools of the British, closeness to the bosses mattered and not teaching capability, (iii) the new schools deliberately contrary to the intention of the scheme were only concentrating on the education of Brahmins and the elites (iv) there was no adequate supervision of the schools, and (v) the schools were designed for much larger group than the inadequate and inefficient private schools and hence there were very few of them making it very difficult for the students from distant villages from attending them.

**Then came Macaulay:** who came in initially as President of General Committee of Public Instruction for the British Presidency at Calcutta. He was of the view that the indigenous education system and education itself was

worthless and the object of the education in India was to “promote European literature and sciences amongst the natives of India and all funds to be dedicated to English education alone”. He then went on to devise the extensive public education system which exists in India till the present date. This resulted in reducing education amongst the people in general as apparent from even statistics available from that time. Tooley says that evidence of this has parallels from England of the same time which was dominated by private schools and it was that what got most people educated and not public/government schools. He also quotes Gandhi who specifically mentions that the Government School system would not be able to attain universal education in India and advocated a return to the village school master model.

Tooley then calls the modern educationists “Modern Macaulays” who believe what suited the European elites best suited the rest of the world also. He says that this is not only true for India and he exemplifies he illustrates that how it is true for the rest of the world. Tooley ends this chapter by stating “private education” for the poor means championing a return to the cultural roots of the people.

At the very end Tooley tries to answer the question as to how to achieve universal education. Tooley agrees that the private schools still have a lot of disadvantages. The solution is to make available technology, teaching methods and learning methods and then make them accessible through state finances so that private schools for the poor can have access to them. He also suggests various methods

to reduce costs in private schools and takes the example of NIIT from India which became a global success by starting small and then growing by doing what its customer wanted. He mentions that till today even though the world recognizes NIIT, the Indian Government does not recognize it as a valid course certification.

Tooley suggests that for private school based system to be accessible to the most poor: (i) that it is important to subsidize fees for the private schools for the poorest including those in need of complete free sponsorship, (ii) Investment in micro finance for the setting up these schools.

He ends by saying that not only is this lesson applicable in India and the developing countries the same is true for developed countries and advocates the use of vouchers and private education to overhaul the failing public education system in the west.

He says in the postscript that possibly his dream will come true sooner than he thought.

## Conclusion

In the end the solutions thrown up by James Tooley are worth exploring, for two reasons, one, because the book extensively relies on pre colonial data and facts to make out its case for essentially private education, and, two, it is crucial for those of us who are committed to the idea of Swadeshi to realize that small private enterprise has to be the basis of solution of large problems of India and for that we have to get out of the idea of the patriarchal overarching state as the solution for all our problems that we have taken for granted due to our colonial experience. □□

(The writer is an advocate.)

## **Govt. Moots Jail for GM Food Critics**

A draconian clause in Biotech Regulatory Bill aims at muzzling debate on safety of GM products. The clause to silence critics of GM food is contained in the Biotechnology Regulatory Authority of India (BRAI) Bill, 2009 prepared by the Department of Biotechnology, which is a wing of the ministry of science and technology. It reads, "Whoever, without any evidence or scientific record misleads the public about the safety of the organisms and products specified in Part I or Part II or Part III of the Schedule I, shall be punished with imprisonment for a term which shall not be less than six months but which may extend to one year and with fine which may extend to two lakh rupees or with both." 'Misleading public about organism and products' is one of the crimes for which punishment has been prescribed in Section 63, Chapter 13 of the Bill which deals with various "offences and penalties". The clause specifically deals with critics of biotech products including GM food crops.

The list also includes vaccines for use in humans or animals that contain living genetically engineered organisms, cellular products including products composed of human, bacterial or animal cells as well as genetically engineered micro-organisms that may have application in agriculture, fisheries, forestry or food production. While every little term in the proposed law such as a "company" or a "director" has been defined, no explanation or definition has been given for terms used in section 63 such as "evidence", "scientific record" and "misleading". If the

Bill becomes a law and comes into force, anyone questioning the safety of Bt brinjal or stem cell therapy "without evidence or scientific record" can be put behind bars.

The draft Bill, which has not been made public so far and is pending for two years, calls for setting up an authority with regulatory power on agriculture, forests, fisheries, human and veterinary health, and industrial and environmental applications.

## **Minister Relies on data of GM lobby to push Bt brinjal**

Media reports reveal that science and technology minister Prithviraj Chavan - a vocal supporter of genetically engineered crops - copied and quoted in an official letter material from reports published by a lobbying outfit funded by seed companies including Monsanto and Mahyco. Monsanto and Mahyco are respectively the patent holders and the Indian distribution rights holders of Bt Brinjal.

Chavan is reported to have lifted paragraph after paragraph in a letter that he wrote to his former colleague Dr Anbumani Ramadoss in July 2009, to defend Bt brinjal. Ramadoss had written to the prime minister in February 2009, in his capacity as health minister, raising health concerns about the introduction of genetically modified (GM) food crops in India. Curiously, Chavan - on behalf of the prime minister - replied in July 2009 when Ramadoss was no more a member of the Union Cabinet.

The four-page letter is accompanied by an annexure containing eight pages. Both the letter and the annexure is believed to draw liberally from two 'reports' prepared by the International Service for the

Acquisition of Agri-biotech Applications (ISAAA), a US-based charity whose aim is to "facilitate transfer and sharing of crop biotechnology applications" in developing countries. The outfit has an active office in New Delhi.

Among the major donors of ISAAA - as listed on its website - are Barwale Foundation (earlier known as Mahyco Research Foundation), Monsanto, Bayer Crop Science, Bejo Sheetal Seeds (India), J. K. Organisation, CropLife International, Raasi Seeds Limited, Vibha Agrotech, Cornell University, US Department of Agriculture & USAID.

The bulk of Chavan's letter has been lifted verbatim from a report called 'The Development and Regulation of Bt Brinjal in India' authored by Bhagirath Choudhary & Kadambini Gaur. Ironically, amongst the reviewers of this 102-page report is Dr Ananda Kumar, a member of the Genetic Engineering Approval Committee - the regulatory body that cleared Bt brinjal in October 2009.

## **Ban on BT Brinjal's release not indefinite: Ramesh**

Union Environment Minister Jairam Ramesh In an exclusive interview to a private TV Channel has made it clear that the ban on release of BT Brinjal in the market will not be indefinite. Jairam Ramesh says Prime Minister doesn't favour an indefinite moratorium. When asked about the position of Prime Minister about moratorium the Minister replied, "Up to now, the moratorium has not been overturned. At no time anyone said that moratorium should end. Prime Minister did say moratorium should not be open

ended. I am the first to agree. Why have a 10 year, a 15 year moratorium. Kerala Chief Minister wants a 50 year moratorium. I am not saying we should have that. A moratorium is a moratorium. It's a pause. We are not pressing the rewind button; we are not pressing the fast forward button but pressing the pause button. "

In reply to another question Jairam Ramesh said, "To the best of my knowledge what the Prime Minister told me was let it not be indefinite and open ended. But the Prime Minister never said reverse the moratorium. Two members of the Planning Commission have also supported my decision. They have supported what I have said."

Thus making it clear that the last word on BT Brinjal has not been heard as yet.

### **Moratorium stays, but time frame to be set**

The moratorium imposed on the commercial release of Bt brinjal stays, but "within a time frame" that would have to be determined. This was decided at a meeting convened by Prime Minister Manmohan Singh to address the issues raised by Union Agriculture Minister Sharad Pawar on the moratorium imposed by Minister of State for Environment and Forests Jairam Ramesh earlier this month on the release of Bt brinjal. Union Ministers Kapil Sibal and Prithvi-raj Chavan were present.

It was clarified that the Genetic Engineering Approval Committee (GEAC), under the Ministry of Environment and Forests, would remain the body to address "concerns for resolving all scientific issues relating to Bt brinjal including safety aspects." The meeting agreed

### **SJM applauds people of India**

**SJM** congratulated people of India in general and activists of SJM, farmers, NGOs, members of scientific community, media & all those people who mobilized public opinion in a democratic way to make govt. understand the folly of allowing commercialisation of Bt. Brinjal in the country. Arun Ojha, national Convener in a press release said that, "Countrymen were perturbed by the indications emanating from official sources suggesting preparedness of the government of India to concede its ground on Bt. Brinjal under pressure from the USA & Multinational companies from that country. Science & Technology Adviser to U.S. Government, Nina Fedoroff's visit to India was seen in the background of intensified lobbying by American agri-companies in a way forcing their way to commercialization of the poisonous crop in India." "We had a major democratic debate through public hearings on Bt. Brinjal (Eggplant)", he added 'and the decision of the people was an overwhelming "No" to Bt. Brinjal and GMOs. More than 11 States had exercised their Constitutional right to say "NO" to Bt. Brinjal.'

"Record of the UPA government in its both avatar's in subverting people's mandate had added to the apprehensions about the Environment Minister Jairam Ramesh, who organised the public hearings, announcing his decision on the subject based on the wishes of Americans and not on the democratic rights and the will of the people of India. Government bowing down to US pressure was evident in Copenhagen and in its decision to resume talks with Pakistan very recently," press release read. Welcoming the decision of the Environment and Forest Ministry to impose a moratorium on the release of Bt Brinjal, Arun Ojha underlined the decision as "a clear evidence of public pressure working on the decision making process of the government". □

that steps must be taken to create confidence amongst States about the role of biotechnology in food security, against the background of 10 States rejecting Bt brinjal.

A statement issued by the Prime Minister's Office said: "It was agreed that biotechnology is an important option for higher agricultural productivity and ensuring food security. At the same time, we must ensure that it has no adverse effects on human and animal health and bio-diversity. "Keeping this in mind, the government will soon be moving forward in setting up a National Biotechnology Regulatory Authority which will inspire confidence and stimulate public and private investment and Technology, as had been proposed.

There was also concern about the control of seeds & the lack of investment in the public sector for research in biotechnology. But for rice, all GM foods for which the GEAC had given approval for trials did not directly affect food security as was being made out. The crops approved by the GEAC for field trials include cauliflower, tomato, groundnut, cabbage, potato, corn, sorghum, lady's finger & brinjal.

Earlier, Mr. Pawar wrote to the Prime Minister saying the moratorium declared by Mr. Ramesh on the GEAC's recommendation for commercialisation of Bt brinjal had "confused" the scientific community & the private sector about the status of biotechnology in food security & about the deciding authority. □□

## PM rules out rollback of petrol and diesel prices

**Unconcerned** about the plight of Aam Aadmi, Prime Minister Manmohan Singh has ruled out any rollback in petrol and diesel prices, saying the economy has the capacity to absorb the increase without triggering inflationary pressure. "Any increase in prices does hurt some people, but we have to take a long-term view," he told reporters accompanying him on

his way back home from Saudi Arabia. "We cannot save people from inflation if we follow all populist fiscal policies. Sooner or later these populist policies if persisted for a long time to come will lead to the erosion of the investment climate," he said. The Prime Minister was asked about growing concerns over the recent hike in oil prices & the ripple it may have. □

## Anti-dumping duty on Chinese tyre, steel

Concerned over surge in imports particularly from China, India has slapped anti-dumping duty on several stainless steel products and radial tyres. The anti-dumping duty is a WTO compatible remedy available to protect domestic industry against cheap imports. The Central Board of Excise and Customs has imposed anti-dumping duty of up to \$2254.7 per tonne on steel products — used mainly for making durables like refrigerators and also in automobile and kitchenware industries. The tyre makers seemed pleased with the dumping duty of up to \$99 per a set of bus and truck radial tyres (including tubeless) from China and Thailand, while the vehicles makers opposed the move saying it is "detrimental to the industry that is trying to come out of recession".

The CBEC in a notification said imports, which caused "material injury" to the domestic manufacture by way of shipping them at below "normal value" have come from China, Taiwan, the US, EU, South Korea, among others. Lianzhong Stainless Steel Corp and Shanxi Taigang Stainless Steel Co from China, South Korea's Posco, Outokumpu and AreclorMittal from Europe are main the exporters.

## Courts can order CBI probe without states' consent: SC

The Supreme Court has ruled that courts have powers to order CBI probe without the consent of state governments with a rider that this should be used cautiously and sparingly. In a unanimous verdict, a five-judge Constitution Bench headed by Chief Justice K G Balakrishnan said such powers have to be exercised cautiously by the apex court and the High Courts.

The Bench, also comprising Justices R V Raveendran, D K Jain, P Sathasivam and J M Panchal, however, said that such powers have to be used sparingly in exceptional and extraordinary circumstances in cases having national and international ramifications. Oth-

erwise, the CBI will be flooded with such directions in routine cases, the Bench said.

Such powers are vested with the apex court and High courts to ensure protection of fundamental rights of citizens under Article 21 of the Constitution, it said. The verdict came on a bunch of petitions by the West Bengal government and some others who contended that the CBI can conduct a probe in any state only with prior consent of the concerned government under the provisions of the Delhi Special Police Establishment Act.

## SHRC asks govt to pay compensation to three farmers

The State Human Rights Commission (SHRC) for the first time has directed the government to pay compensation to three ailing farmers who were handcuffed while being taken from Dharwad jail to hospital, before March 8, SHRC sources said.

In its order dated February 8, the SHRC directed the government to pay Rs 25,000 each to the three farmers, who were hand-cuffed while being taken from Dharwad jail, where they had been kept after being arrested for protesting against land acquisition in Dhavangere last month.

The three, Rajesabu, Kotreshappa and K Darsharath went on hunger strike in the jail and developed health problems. They were hand-cuffed while being taken to hospital despite their ill health, the sources said.

## RBI doesn't have info on heavy penalty on credit-card defaults

The banking regulator of the country, Reserve Bank of India, does not have any information about "heavy penalties" and "extra-ordinary interest rates" imposed by banks on credit card defaults. In reply to a question "Is RBI aware that banks are charging heavy penalties also in addition to extra-ordinary interest rate on credit card default payments? Statements are de-



### 'No consultancy by rating agencies'

A committee set up to have a re-look at the regulation of credit rating agencies (CRAs) in India have suggested that rating agencies should not carry out consultancy and advisory services which might raise chances of conflict of interest with their primary business, that is ratings. A number of rating agencies, through their group arms and subsidiaries, carry out such businesses.

"CRAs should not be allowed to enter into any business that may directly or indirectly have conflict of interest with the job of rating," the report by the committee, chaired by KP Krishnan, joint secretary, ministry of finance, noted. "Internal Chinese Walls are porous mechanisms to prevent such conflict of interest as such other businesses such as consultancy

and advisory services should not be undertaken by CRAs," the report added. The report also briefly touched upon the debate if the rule requiring compulsory ratings of debt instruments should be done away with, but recommended that given the low level of financial literacy in the country, a move towards such a system may not be done soon.

The committee, set up by the finance ministry, however said that there was need for greater disclosure on the part of the CRAs, more so in the light of the financial crisis in 2008 & 2009. "There is a need to strengthen the existing regulations by learning the appropriate lessons from the current crisis," it noted. It has recommended that there was a need for enhanced disclosure, continuation of the issuer-pays model. □

liberately not mailed to earn abnormal interest rates & penalties on payment default" sent through RTI, the bank said it does not have any information.

"We do not have the information," Thomas Mathew, Deputy General Manager, Reserve Bank of India, said in his reply. RTI activist S C Agrawal also sought to know, "Is RBI aware that banks impose over limit charges instead of blocking payment by credit cards beyond their sanctioned limit?" to which the RBI again said it did not have any information.

The RBI, however, said that banks have been advised through a circular dated 7th May, 2007 to prescribe a maximum ceiling rate of interest, including processing and other charges, in respect of small value personal loans and loans similar in nature.

"The above instructions are applicable to credit card dues also," it said while replying on the steps taken by it to have uniform rules regarding penalties and interest rates in regard to credit cards issued by different banks.

### Arunachal students call for boycott of Chinese goods

Angry over China's repeated claims on Arunachal, students across the state are targeting Beijing's biggest economic weapon — exports — albeit in a small way. A powerful students' group on Tuesday called for a boycott of 'Made-in-China' goods from February 8. "The boycott is necessary in the backdrop of repeated Chinese claims over Arunachal," a written appeal from All Arunachal Pradesh Students' Union president Takam Tatung said. "Our activists

will visit every shop to identify commodities made in China," it added.

Seeking the traders' support in its movement, the apex students' body said "enough time" was given to remove Chinese goods after last month's request by Arunachal Chamber of Commerce & Industries (ACCI). The Aapsu chief added: "The Union government's approach to the Chinese issue left a lot to be desired. One case in point is the alleged captivity of Chabe Chader, a villager of Gumsing Taying in Upper Subansiri's Taksing Circle area, by the Chinese army."

### Six states reject bill on groundwater

Six states, including Punjab, have rejected a model bill aimed at conserving groundwater claiming that either it was too harsh on the people or that they required no such law. The Ministry of Water Resources had drafted the 'Model Bill to Regulate & Control the Development of Groundwater' & circulated it to states in 1970.

It was re-circulated in 1992, 1996 and 2005 to the states and Union Territories to enable them to enact suitable legislation on the lines of Model Bill.

States including Punjab, Sikkim, Arunachal Pradesh, Tripura and Nagaland have rejected the model bill for various reasons.

The bill proposes setting up of a Groundwater Authority in every state and Union Territory. The Authority will have powers to enter any government or private property and survey wells and groundwater resources. People using groundwater, including wells, will have to seek its permission so that water resources are not exploited. (PTI) □□

## Indian-origin woman is Leader of Opposition in Trinidad and Tobago

**Indian-origin** Kamla Persad-Bissessar has become the first woman Leader of the Opposition in the Trinidad and Tobago parliament, ousting former premier Basdeo Panday from the post. Kamla was administered the oath of office by President George Maxwell Richards at the president's house amidst loud cheers from the seven MPs, who supported her to oust incumbent Basdeo Panday.

Panday had been Leader of the Opposition for almost 34 years, minus the six years he was prime minister. Kamla's ascent to the position follows elections within the opposition United National Con-

gress (UNC) party Jan 24 when she beat her political mentor Panday ten to one in the UNC's national elections to choose a new leader and executive. She emerged leader much to the dismay of Panday who had set the machinery for the vote himself, but did not accept the result.

Kamla has visited India on several occasions, attending the Pravasi Bharatiya conference in Hyderabad in 2006 & Commonwealth Parliamentary Association meetings. Her forefathers were among 148,000 people who came from U.P. & Bihar between 1845 to 1917 to work on sugar plantations here. □

## Switzerland Rejects Automatic Tax-Data Exchange

The Swiss government has again refused to automatically provide confidential bank client data to other states searching for tax offenders, but said it seeks to rid itself of undeclared funds in Swiss accounts.

"The Federal Council continues to reject the automatic exchange of information in terms of laying bare every detail of citizens' lives," the government said in a statement after a special session on the future of Switzerland's finance industry.

The government's statement is a response to pressure from the U.S., European Union and others on banking secrecy. Tenets of Swiss law protect the privacy of clients with a Swiss bank account, which has in the past served as the backbone of a prosperous financial services industry in Switzerland.

Besides giving up a long-held distinction between tax evasion and outright fraud, the Swiss government said it wants to "regularize" undeclared funds held in Switzerland. Estimates on how much of the money held in offshore Swiss bank accounts is hidden from clients' home tax authorities vary widely; banks rarely comment on the proportion. The government said the finance department will draw up various measures to prevent new, undeclared money from coming to Switzerland.

## US faces prospect of losing in cyberwar

Computer-based network attacks are slowly bleeding US businesses of revenue and its market advantage even as the government faces the prospect of losing in an all-out cyberwar, experts told US senators in a hearing. "If the nation went to war

today in a cyberwar, we would lose," said Michael McConnell, executive vice president of Booz Allen Hamilton's national security business and a former director of national security and national intelligence.

"We're the most vulnerable. We're the most connected. We have the most to lose". The US will not be able to mitigate the risk from cyberattack until the government gets more actively involved in protecting the nation's network, which may not occur until after a "catastrophic event" happens, McConnell said in testimony during a hearing of the Senate Committee on Commerce, Science and Transportation. "The government's role will change to become more active," he said. "We're going to morph the Internet from 'com' to 'secure'."

The subject of the hearing was the Cyber Security Act of 2009, which would regulate organisations and companies that provide critical infrastructure for the US, require licensing and certification for cybersecurity professionals, and provide funding for grant and scholarship programmes, said a news agency report quoting CNET News.com.

## NASA radar on Chandrayaan-I detects ice deposits on moon

Scientists have detected more than 40 ice-filled craters in the moon's North Pole using data from a NASA radar that flew aboard India's Chandrayaan-I. NASA's Mini-SAR instrument, lightweight, synthetic aperture radar, found more than 40 small craters with water ice. The craters range in size from 2 to 15 km in diameter.

The finding would give future missions a new target to further explore and exploit, a NASA state-

ment said, adding it is estimated that there could be at least 600 million metric tons of water ice in the craters. "The emerging picture from the multiple measurements and resulting data of the instruments on lunar missions indicates that water creation, migration, deposition and retention are occurring on the moon," Paul Spudis, principal investigator of the Mini-SAR experiment at the Lunar and Planetary Institute, said.

## Panchen Lama in China advisory body

The Panchen Lama, the young man enthroned by Beijing as the second-highest figure in Tibetan Buddhism, has joined China's top legislative advisory body. The 20-year-old Panchen Lama, whose name is Gyaltzen Norbu, is emerging as Beijing's choice to supplant the Dalai Lama as the public face of Tibetan Buddhism and has taken on an increasingly political role in recent years.

He has made appearances with Communist Party leaders and publicly praised Chinese rule in Tibet. The Panchen Lama was among 13 people named to the National Committee of the Chinese People's Political Consultative Conference, the news agency reported.

The CPPCC is made up of about 2,200 business leaders, religious figures, academics and celebrities. It serves in an advisory capacity to the National People's Congress, China's largely ceremonial legislature. Despite Beijing's backing, Gyaltzen Norbu is not widely accepted by Tibetans as the Panchen Lama, a figure that has traditionally advised and worked with the Dalai Lama, Tibetan Buddhism's supreme leader.

## Life beyond US dollar

Dominique Strauss-Kahn, the head of the International Monetary Fund, has suggested that the organization might one day be called on to provide countries with a global reserve currency that would serve as an alternative to the US dollar.

"That day has not yet come, but I think it is intellectually healthy to explore these kinds of ideas now," he said in a speech in Washington. Strauss-Kahn said such an asset could be similar to but distinctly different from the IMF's special drawing rights, or SDRs, the accounting unit that countries use to hold funds within the IMF. It is based on a basket of major currencies. Several countries, including China and Russia, have called for an alternative to the dollar

as a reserve currency.

## China facing serious employment challenges: Wen Jiabao

Chinese Prime Minister Wen Jiabao has underlined the need for an equitable distribution of wealth as the government was facing serious challenges to generate greater employments for the youths. "We shall create favourable conditions for people's freedom and full development in order to nurture their intelligence and talent," he was quoted as saying by the official media.

Interacting with the people in an online chat, the Prime Minister accepted that the country was facing serious employment challenges. Wen said China's massive stimulus plan has proved to be effective and the economy has bottomed out and witnessed a sound recovery beating the world wide recession. But the country is still facing serious challenges in employment, though labour shortage has been found in booming cities in China's coastal areas recently, he said.

Faced with complaints by students over bank loans for higher studies, Wen said the government encourages university graduates to start their own businesses, as the country is facing serious challenges in employment. Statistics show that the number of Chinese university graduates will reach an all-time high of 6.3 million this year, posing a grave challenge to generate greater employment.

## US to share laser-guiding bomb kits with Pakistan

The US will deliver to Pakistan 1,000 sophisticated laser-guided bomb kits that would enable the government there to strike insurgent targets with more precision. The arms sale suggests that US officials are trying to deepen their relationship with Pakistan and increase military cooperation.

The US has been trying to encourage Pakistan to take a tougher stand against Taliban forces operating within its borders. Lt Col Jeffery Glenn, an Air Force spokesman, said that the US had delivered 1,000 MK-82 bombs to Pakistan last month. This month's shipment of kits would enable Pakistan to use sophisticated laser technology to guide the bombs to specific targets. Glenn said the US also plans to provide Pakistan 18 new F-16 fighter jets by June. □□

## India blames US for 'frustrating impasse' at WTO talks

India says that the World Trade Organisation's Doha Development Round was going through a "frustrating impasse" as the US was not taking the initiative in taking forward the negotiations. New Delhi is also highlighting that though the US wants greater market access for its industrial goods in the emerging markets, it was not willing to give anything in return. For instance, the US recently sent junior-level officers for the WTO Services negotiations, reflecting its lack of reciprocity in areas of interest to countries such as India.

Stating that the US was sending out "conflicting signals", the Commerce Secretary, Dr Rahul Khullar, said at an ASSOCHAM event in New Delhi that despite the US President, Barack Obama's statement in his State of the Union Address that he wants a 'good' Doha (global trade) deal, this has not translated into any forward movement in the country's negotiating stance at the WTO. He said the US is yet to put in place its Ambassador to WTO and the Chief Agriculture Negotiator.

Dr Khullar said India will wait till it sees some substantial movement from the US. He said even the Europeans have told the US that it is important to give something in return for the additional market access in emerging economies. But if the US wants market access in developing countries without giving anything in return to countries such as India in areas of their interest, it will only remain a pipe-dream, he said.

## Implement WTO provisions only after deliberations, says small industries body

The Government seems to be working overtime to comply with WTO provisions without consulting with the stakeholders in the country, said Mr D. Gandhikumar, President, Tamil Nadu Small And Tiny Industries Association (TANSTIA). Addressing presspersons, after the executive committee meeting of TANSTIA, held here recently, he said that no legislation should be introduced in haste. Tremendous pressure to ease imports and reduce duties is mounting. Many traders and entrepreneurs are unaware of the challenges they are faced with, he said.

He said that the new Direct Taxes Code (DIC) and Goods and Services Tax (GST) have provisions

that affected the interests of the small industries. They should be implemented only after a wide deliberation across all stakeholders, he stressed.

Pleading for clubbing the labour laws and acts under one banner for making compliance viable for establishments, he suggested giving a common code to the labourers to carry forward the provident fund contributions when they moved from one industry to another. Ways must be found for the utilisation of Rs 5,000 crore lying unclaimed with EPFO, he said.

## 'Multilateral negotiations at WTO continue to be at the centre of India's trade negotiations

The multilateral negotiations at the WTO will continue to be at the centre of India's trade negotiations says the Economic Survey. However, given the long and protracted nature of these negotiations and recognising the fact that regional cooperation would continue to feature for a long time in world trade, India has been active in regional and bilateral trading arrangements in recent years. Some of these are Indian-ASEAN comprehensive economic cooperation agreement, India-South Korea comprehensive economic partnership agreement, India-Japan agreements in goods, services and investment, India-EU trade and investment agreement and India-European free trade association.

## World trade contracted 12 percent in 2009: Lamy

Global trade contracted by about 12 percent in 2009 but has started to pick up, the head of WTO said. Director General Pascal Lamy said the Organization had revised its previous estimate of a contraction of about 10 percent in 2009 but gave no forecast for 2010. "World trade has also been a casualty of this (global economic) crisis, contracting ... by about 12 percent in 2009," Lamy said during a visit to Brussels, calling it a huge drop and the sharpest decline since the end of World War Two. Asked about world trade in 2010, he declined to give any figure but said.

He caused gloom at the WTO this week by saying there were too many gaps and uncertainties in negotiations to bring in ministers at the end of March to take stock of whether the eight-year-old trade round can be concluded this year. □□