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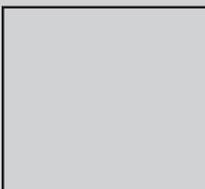
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### Indian Premier League

The Lalit Modi brain child IPL T20 cricket competition now, in progress has changed the sports scene of not only India but that of the entire world. What began as a counter action to the newly-created Indian Cricket League few years ago has now turned out to be a healthy and still growing cash cow for already richer BCCI. The fact that latest bidding of the two new franchises for the fourth edition of the Indian Premier League fetched a total of Rs.3235 Crores (\$703 million) was near about the amount six teams obtained together, speaks volumes about the nature of the money involved.

But it is not the scale of money only. It is emerging as an event that has eclipsed routine entertainment events. It has also changed the concept of promotion. Several prominent personalities from different walks of life have expressed desire to have IPL like events for their streams of activity. I suppose we will be witnessing some of them translating into action in near future. In that sense IPL has become a trend setter. I wish Swadeshipatrika studies the issues involved in depth to scan its different dimensions from Swadeshi viewpoint.

– Rakesh Tayal, Muzzafarnagar

### Bt. Brinjal the loosing battle

Swadeshipatrika in its editorial of March 2010 was very correct to say that the victory of the people of India with respect to Bt. Brinjal was not final. This is actually proving to be 'a long drawn battle' as was predicted. It is clear now that pro GMO lobby within the government is much stronger than was visible earlier. Notwithstanding the global antipathy to GM foods the government of India seems determined to push them forward.

In such a scenario when opposition political parties are busy with their internal issues ruling party is bound to act irresponsibly. Under these circumstances it becomes the duty of civil society to come to the forefront and mobilize opinion on a scale that forces the government to abandon all anti people policies. Journals like Swadeshipatrika have a major responsibility to awaken people on such lines. People of India are sure to respond positively as has happened in the past. Emergency was forced out in less than two years. No reason why it can't happen now.

– Sammer, New Delhi

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### Quote-Unquote



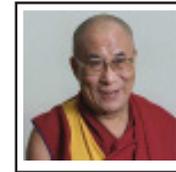
Government will consult all parties before bringing women's reservation Bill in the Lok Sabha.

**Pranab Mukherjee**  
Union Minister for Finance



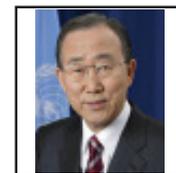
Terrorists have developed overt and covert technologies. This has made the job of security professionals far more challenging.

**P Chidambaram**  
Union Minister for Home Affairs



China gets upset with me even when I say that I am a son of India.

**Dalai Lama**  
Tibetan spiritual leader



The Security Council is the primary body for maintaining global security and it should be adjusted to reflect the present day realities in the world.

**Ban Ki-Moon**  
Secretary-General of the UN

## Legislative Complicity

The Budget session of Parliament will be remembered for a long time to come. It was in this session that the momentous Bill for reservation of seats for women was actually passed by Rajya Sabha. But, that is not the only reason to memorize the first part of the on going session. The obstinate persistence and incongruous attempts to table three more anti- people Bills against the popular sentiment and perceived harm they would cause makes this session more unusual. These three Bills namely the Civil Liability for Nuclear Damages Bil, BRAI Bill and Foreign Educational Institution (Regulation of Entry and Operation) Bill are indicative of a tendency that is fast becoming a pattern, a mold that will not only undermine the secular & democratic foundation of the country, but is actually going to destabilize the unity and integrity of country threatening its very sovereignty. Congress led UPAlI government after its unexpected re-election to the office has gradually and progressively abandoned the reasonable and established conduct. It is replaced by the newly found aggressiveness in tone, tenor and also the policy making and implementing process. Even a cursory glance at the functioning of UPA II in general and that of Congress party in particular reveals the conceit, arrogance and stubbornness in words as well as the deeds. One is forced to repeatedly listen to the illogical argument of some congress spokespersons asking why did people re-elect them? As if re-election means a licence to do all those acts that are anti-people, anti-poor and also against the constitution of this country. Entire validation is based on the premise that opposition governments did no better. Merits of the case are drowned in the din of shouting brigade.

Coming back to the three Bills being forced on the nation, it needs to be emphasized that common people of this country including the stakeholders, experts and activists consider all the three Bills to have been drafted with the undue haste to protect the interests of Corporate sector. Take for example the Civil Liability for Nuclear Damages Bill. The Bill explicitly violates the Constitution on many counts and goes against various Supreme Court judgments. The Clause 6 of the Bill aims to put a cap on the liability amount that private companies will have to pay towards damages in the case of a leak or an accident. It also transfers a large part of the liability to the government that in effect means the Indian tax payer. Still worst is the case of the Biotechnology Regulatory Authority of India (BRAI) Bill. This Bill has rightly been termed as more draconian and stringent than even the repealed Acts like POTA, TADA etc. Bill not only encourages free entry of GM food into India, without ensuring health safety of the people, it guarantees penalizing the voices of protest. This Bill also is violating the constitution of India on several counts particularly by encroaching upon the rights of the States. It is also against natural laws of justice as the promoter is supposed to play regulator besides people's participation, as is expressly mandated under the Cartagena Protocol on Biosafety to which India is a signatory under the Convention on Biosafety, is denied without any remorse. Foreign Educational Institution (Regulation of Entry and Operation) Bill is repetition of the same narrative.

The menace of money power in elections and mounting reliance of politicians on corporate sector that has excessively increased in the past few years to greater extent confirms the fears lurking in the minds of people of India. People are forced to believe that these steps of legislative complicity is the payback process or may be the acts of future grooming. There are reasons to believe that the concerns of susceptible and excluded sections of the society no longer matter to the ruling class. The common man, the Aam Aadmi is no longer considered necessary to be kept happy for his function of casting vote once in five years. He can be taken care of by other means. That is why we see a decisive shift in political action from dusty Streets and unconnected villages to air conditioned studios of TV channels. That in turn explains blatant attempt to protect Corporate sector even if that affects the lives of people. Question is how long will this continue to happen?



## BRAI: The wrong bill by wrong people for wrong reasons

*BRAI in its proposed form is a disgusting piece of legislation and will destroy the Indian farm sector including the cultivation, trade and consumption of food and agricultural products. It will be unconstitutional and contrary to natural law, believes G. Raina*

Government of India has decided to establish “Biotechnology Regulatory Authority of India,” (BRAI) a proposed autonomous body to regulate the research, transport, import, manufacture and use of organisms and products of modern biotechnology. According to Prithviraj Chavan, the union minister of science and technology and earth sciences the Central government has prepared a draft Bill to create BRAI through a consultative process involving inter-disciplinary and inter-ministerial experts, state governments and other stakeholders. This claim is however contested by activists and other observers. According to media reports, this decision was taken after

the national debate on Bt brinjal.

After a fierce, vocal and assertive protests over commercial introduction of the Bt. Brinjal forcing government to impose a moratorium, the proposed Bill to create BRAI is seen as an attempt by pro-GM lobby to not only bring GM foods through back door but also to stifle anti-GM voices and ensure a hassle free control of food production and supply chain in India into the hands of US corporate. It is, as was feared, a naked attempt to bypass people’s verdict and scuttle any possible opposition to corporatisation of farm sector.

### Back drop

To put the issue in perspec-

tive it is essential to understand the backdrop of the controversy. Biodiversity is the variation of life forms within a given ecosystem, or on the entire Earth. Biodiversity is often used as a measure of the health of biological systems. The biodiversity found on Earth today consists of many millions of distinct biological species. Biodiversity is not distributed evenly on Earth, but is consistently richer in the tropics and in specific localized regions. Nature has been kind enough on India and is blessed with a rich variety of biodiversity. Rapid environmental changes typically cause extinctions. Of all species that have existed on Earth, 99.9 percent are now supposed to have vanished.

Today there is concern that the period since the emergence of humans is part of a mass reduction in biodiversity, the Holocene extinction, caused primarily by the impact humans are having on the environment, particularly the destruction of plant and animal habitats. In addition, human practices have caused a loss of genetic biodiversity. The relevance of biodiversity to human health is becoming a major international issue, as scientific evidence is gathered on the global health implications of biodiversity loss.

Biodiversity supports a number of natural ecosystem processes and services. Some ecosystem services that benefit society are air quality, climate, water purification, pollination, and prevention of erosion. Species loss has been accelerated above the geological rate by human activity. It has been estimated that species are now being lost at a rate approximately 100 times as fast as is typical in the geologi-

cal record, or perhaps as high as 10 000 times as fast. Unashamed profit motives of trans-national corporates are further deteriorating the already worsened situation. Non-material benefits that are obtained from ecosystems include spiritual and aesthetic values, knowledge systems and the value of education.

Genetically Modified (GM) crops today have become a common source for genetic pollution. Genetic erosion coupled with genetic pollution may be destroying unique genotypes, thereby creating a hidden crisis which could result in a severe threat to our food security. Diverse genetic material could cease to exist which would impact our ability to further hybridize food crops and livestock against more resistant diseases and climatic changes.

The Convention on Biological Diversity (CBD), known informally as the Biodiversity Convention, is an international legally binding treaty that was adopted in Rio de Janeiro in June 1992. The Convention has three main goals: 1. conservation of biological diversity (or biodiversity); 2. Sustainable use of its components; and 3. Fair and equitable sharing of benefits arising from genetic resources.

In other words, its objective was to develop national strategies for the conservation and sustainable use of biological diversity. It is often seen as the key document regarding sustainable development.

### **Cartagena Protocol**

The Cartagena Protocol on Biosafety of the Convention, also known as the Biosafety Protocol, was adopted in January 2000. The Biosafety Protocol seeks to protect biological diversity from the poten-

tial risks posed by living modified organisms resulting from modern biotechnology.

The Biosafety Protocol makes clear that products from new technologies must be based on the precautionary principle and allow developing nations to balance public health against economic benefits. The required number of 50 instruments of ratification/accession/approval/acceptance by countries was reached in May 2003. In accordance with the provisions of its Article 37, the Protocol entered into force on 11 September 2003. India is a signatory to the protocol.

In accordance with the precautionary approach, contained in Principle 15 of the Rio Declaration on Environment and Development, the objective of the Protocol is to contribute to ensuring an adequate level of protection in the field of the safe transfer, handling and use of 'living modified organisms resulting from modern biotechnology' that may have adverse effects on the conservation and sustainable use of biological diversity, taking also into account risks to human health, and specifically focusing on trans-boundary movements

According to this global treaty, any statutes on biotech issue must include a systemic mechanism to ensure public participation in decision-making by representatives of farmers' lobbies and consumer groups. And the first casualty of the proposed BRAI bill in our country is this very aspect of the Cartagena Protocol.

Section 63 of the Bill says, "Whoever, without any evidence or scientific record misleads the public about the safety of the organisms and products specified in Part

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## ***Any statutes on biotech issue must include a systemic mechanism to ensure public participation.***

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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". Remember if the Bill becomes a law I can land in Jail for next one year and will have to pay a fine also, which if I am unable to pay will lead to , I don't know what.

Sri Sri Ravishankar ji, the spiritual master has rightly termed "clauses of this bill draconian and more stringent than even the repealed Acts like POTA, TADA etc." in a statement issued to the press His Holiness says, "Bill encourages free entry of GM food into India, without ensuring health safety of the people, besides penalizing the voice of protest," Sri Sri has said that "the commendable work done by Shri Jairam Ramesh in putting moratorium on the introduction of BT Brinjal is going to be negated with the enactment of 'The Biotechnology Regulatory Authority of India Bill 2009' (BRAI) in the current session of Parliament. The bill proposes to gag the media (Section 63) since it infringes upon the Fundamental Right of Freedom of Speech. The penalty for creating awareness (misleading the public) about the ill ef-

fects of Genetically Modified issues may lead to an imprisonment of minimum six months & upto one year with a maximum fine of 2 lacs”.

Spiritual and humanitarian leader His Holiness Sri Sri Ravi Shankar is not the only person to be alarmed by this atrocious facet of the bill. Dr P.M. Bhargava, Founder-Director of the Hyderabad based Centre for Cellular and Molecular Biology and a vocal critic of genetically modified organisms (GMOs) believes, “The Bill seems to have draconian clauses to stifle anti-GM voices in the country and is designed to be a Clearing House for GMO applications rather than to protect the health and environment of people in the country.”

Suppressing dissent is not the only area of concern. There are several features of the proposed Bill that have raised eyebrows of apprehensive countrymen. The bill, which is likely to be approved by the cabinet next month and tabled for passage in the budget session, will bring about wide ranging changes in the process of regulating the research, transport, import, manufacture and use of GM products in the country. According to observers, the bill serves to override State-specific concerns by making the proposed authority solely responsible for releasing and controlling GMOs throughout the country and envisages only an advisory role for States.

According to Section 81 of the Bill, the Act will have an overriding effect (over other State-level Acts). Experts charge that this ignores the constitutional powers

that State governments have over their Agriculture & Health. Equally undemocratic and violative of the Constitution is the fact that states have been kept out of the regulatory process although agriculture - and health, for that matter - is a state subject. The Bill envisages only an advisory role through the State Biotechnology Regulatory Advisory Committee.

Apart from hitting at the federal structure on agriculture and health issues, the BRAI will impinge on, if not override, other laws like the better designed Biological Diversity Act which gives equal play to the states and Union government. Is this advisable in a

Prithviraj chouhan/ close door

vast and diverse democratic country like India? What impact will this have on the centralized structure of the nation? But before that one is forced to point out the strange contradiction in the departments handling the passage of Bill. Bill is being drafted by the Department of Biotechnology.

### Introduction: About DBT

The setting up of a separate Department of Biotechnology (DBT), under the Ministry of Science and Technology in 1986 gave a new impetus to the development

of the field of modern biology and biotechnology in India. In more than a decade of its existence, the department has promoted and accelerated the pace of development of biotechnology in the country. Through several R&D projects, demonstrations and creation of infrastructural facilities a clear visible impact of this field has been seen. The department has made significant achievements in the growth and application of biotechnology in the broad areas of agriculture, health care, animal sciences, environment, and industry.

The impact of the biotechnology related developments in agriculture, health care, environment and industry, has already been visible and the efforts are now culminating into products and processes. More than 5000 research publications, 4000 post-doctoral students, several technologies transferred to industries and patents filed including US patents, can be considered as a modest beginning. Department of Biotechnology (DBT) has been interacting with more than 5,000 scientists per year

in order to utilise the existing expertise of the universities and other national laboratories..... A unique feature of the department has been the deep involvement of the scientific community of the country through a number of technical task forces, advisory committees and individual experts in identification, formulation, implementation and monitoring of various programmes and activities.

Initiatives have been taken to promote transgenic research in plants with emphasis on pest and

disease resistance, nutritional quality, silk-worm genome analysis, molecular biology of human genetic disorders, brain research, plant genome research, development, validation and commercialisation of diagnostic kits and vaccines for communicable diseases, food biotechnology, biodiversity conservation and bioprospecting, setting up of micropropagation parks and biotechnology based development for SC/ST, rural areas, women and for different States.

Necessary guidelines for transgenic plants, recombinant vaccines and drugs have also been evolved. A strong base of indigenous capabilities has been created. The field of biotechnology both for new innovations and applications would form a major research and commercial endeavor for socio-economic development in the next millennium.

Very clearly DBT in its self introduction accepts to be a promoter of GMO in this country. Now it is being asked to play a regulator. Can the promoter be a neutral regulator?

“BRAI is the naked attempt by the Biotechnology Department (within the Ministry of Science and Technology) to appropriate to itself the work of regulating biotechnology in addition to promoting biotechnology,” feels Dr. Vandna Shiva. It “is a recipe for deepening the regulatory chaos as well as deepening the crisis created by conflict of interest issues related to genetic engineering,” she adds.

India already has strong laws that address biosafety regulation: the Food Safety and Standards Act, 2006; and within the 1986 Environmental Protection Act (EPA), the 1989 ‘Rules for the Manufacture,

Use / Import / Export and storage of hazardous micro-organisms / genetically engineered organisms or cells.’ Dr. Shiva explains: “The substantial parts of what the BRAI will cover are already covered by the EPA rules.... The proposed BRAI is in total denial of existing law. The proposed law pretends we do not have a law under the EPA.... The BRAI is an attempt to dismantle the 1989 Law, and replace it with a law for fast track promotion of GMOs.”

The proposed law will also override other statutes like the Right to Information (RTI) Act and the Environment Protection Act. In sum, details of BRAI’s decisions cannot be sought by the

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***The BRAI is an attempt to dismantle the 1989 Law, and replace it with a law for fast track promotion of GMOs.***

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public, nor can these be legally challenged. In all other spheres of government and regulatory activity, it is the Central Information Commission that decides what information can or cannot be disclosed, and even its ruling can be challenged in the courts.

Experts also express concern over the fact that independence, impartiality or autonomy of this three-member body can be easily undermined. Under Section 75, the Central government is allowed to give directions to the regulatory authority, allowing it to “interfere with matters that are scientific and technical in nature.” Another issue with the BRAI is that risk manage-

ment is almost absent from its agenda. Not only is there no stipulation for revocation of approval by the authority to prevent any possible harm to the environment or public health, there is also no strong provisions for liability. Missing here are express clauses for redressal or compensation and measures for remediation and clean up in the event of an ecological disaster, believes Kavitha Kuruganti of the Kheti Virasat Mission, a civil society organisation working for sustainable agriculture.

The Department of Agriculture and Cooperation, (Ministry of Agriculture) had set up a Task Force under the Chairmanship of Prof. M.S. Swaminathan to formulate a long term policy on Application of Biotechnology in Agriculture in May 2003. The Task Force recommended the establishment of an autonomous, statutory and professionally led National Biotechnology Regulatory Authority. This was thought to be essential for inspiring public, political, professional and media confidence in the procedures adopted for measuring risks and benefits. Swaminathan, had said: “The bottom line of our national agricultural biotechnology policy should be the economic well-being of farm families, food security of the nation, health security of the consumer, protection of the environment and the security of our national and international trade in farm commodities.”

Author of “Corrupt to the Core”, Dr. Shiv Chopra, a Canadian-Indian microbiologist who led the fight against Monsanto’s bovine growth hormone (rBGH) in Canada, smells a conspiracy. “I, too, am strongly opposed to it, he asserts. □□

## Flawed moves for a National Biotechnology Regulatory Authority

*The proposal to create a National Biotechnology Regulatory Authority (NBRA), for which a draft bill is now in circulation, is being moved in an unprofessional manner and is entirely industry-centric, says Dr. P.M. Bhargava*

The proposal to create a National Biotechnology Regulatory Authority (NBRA), for which a draft bill is now in circulation, is being moved in an unprofessional manner by the Government of India.

The bill is driven by the Department of Biotechnology. The DBT ought to know that biotechnology covers some 30 areas, of which many need to be regulated. These areas include stem cells, nanobiotechnology, biological warfare, vaccines, bioinformatics, organ transplantation, new drug delivery systems, new materials such as spider silk and bacterial ropes, plant-based traditional drug formulations, and assisted reproductive technologies. But the proposed bill is confined to Genetically Manipulated Organisms

(GMOs) and their products. Should it not, therefore, have been called a National GMO Regulatory Authority instead of an NBRA? Biotechnology cannot be equated with genetic engineering. If the DBT really thinks so, it ought to change its own name to "Department of Genetic Engineering."

The bill has a range of other

problems as well.

The objective of any proposed bill should be to fill a defined void. There is already a regulatory procedure in place for GMOs and their products, involving the Review Committee on Genetic Manipulation (RCGM) of the DBT and the Genetic Engineering Approval Committee (GEAC) of the Ministry of Environment and

correct it. For example, the present system does not prescribe any penalty for contamination of a non-GMO farm by GMOs in an adjoining farm. The proposed bill is silent on such problems.

The bill is supposedly up for public debate. While the DBT organised meetings at several places to discuss the bill, participation was by invitation, and the invitees were

selected "carefully." At one of the meetings held in Hyderabad, this writer, who had a role in the setting up the DBT, as also the Centre for Cellular and Molecular Biology in Hyderabad, which was the first laboratory in the country to do any serious work in genetic engineering, was not invited. I had to invite myself to the meeting on learning about it. (I was the first chairman of the National Committee on Ge-



netic Engineering and Molecular Biology set up by the Science and Engineering Research Council of the Department of Science and Technology, and had the privilege of coining the term "genetic engineering" and using it in a syndicated article in 1973.)

At a meeting in Bangalore held a day earlier, on June 11, 2008,

no State government official was present. Farmers are the largest stakeholders in the business of GMOs, yet their representation at the meetings appeared to be minimal and unrepresentative.

The meeting was organised by the Biotechnology Consortium of India that is committed to the maximum possible deregulation of GMOs. As someone suggested, the name of the authority that the bill proposes to set up should have been “National Biotechnology Deregulatory Authority.”

The proposed bill has little substantive content, and no rules and regulations have been circulated or debated. Whatever little substance it has, is entirely industry-centric & not people or farmer-centric.

**Top-heavy authority**

The proposed authority is

top-heavy. It would make the processing of an application far more cumbersome than it is today. It has been said that the proposed authority will be autonomous but the bill does not say how that autonomy would be exercised. If it is going to be similar to the Atomic Energy Regulatory Board which operates under the Department of Atomic Energy, we can forget any autonomy.

It says “international standards” would be observed in regard to GMOs. The question is: are there any international standards? Will they follow Switzerland which has put a moratorium on GMOs till 2012, or the European Union, which requires labelling of GM food, or the U.S. which, for all practical purposes, has no regulation of GMOs?

There are many organisational flaws in the bill. For example, the laboratory that is to carry out appropriate tests such as for toxicity and allergenicity will be a part of the proposed authority, whereas it should be independent of it to be able to function objectively. There is hardly any attention paid to detail. For example, in Section 2 K, the term ‘modern biotechnology’ excludes in vitro fertilization but not intracytoplasmic sperm injection.

The bill proposes to dispense with existing laws relating to environmental safety, including the Food Safety Act, but without defining how it will take over their functions and discharge them in a better way. Also, it does not provide for any interface with the public. □□

(Dr. P.M. Bhargava is a member of the National Security Advisory Board of the Government of India.) (Kind courtesy: The Hindu)

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## Drop the National Biotechnology Regulatory Authority Proposals: Deccan Development Society

*Deccan Development Society and more than 100 organizations/individuals have pleaded for erasure of BRAI Bill. In a letter to Prime Minister they say:*

The proposed National Biotechnology Regulatory Authority bill being contemplated by your Government is an extraordinary piece of legislation on an issue that critically affects every citizen of this country either directly or indirectly, which should have been subjected to an intensive democratic debate from all quarters of this country.

However, we earnestly feel that it has not been given a chance for a detailed discussion and is being hurriedly pushed through. A huge number of farmers' associations, civil society groups, and consumer organizations who are seriously concerned about the impact of biotechnology on agriculture, human and livestock health and welfare, and its environmental impact, are feeling shortchanged because the proposed legislation has certain serious shortcomings and following.

### **Objectionable clauses.**

The institutional mechanism of decision-making in the NBRA, with a 4-member committee consisting of scientists taking all decisions is undemocratic and authoritarian (Section 11(1)). It has been found time and again that even a broad-based and inter-ministerial body like the Genetic Engineering Approval Committee (GEAC) is unable to address all stakes and concerns during decision-making. Even though the NBRA proposals talk about various committees and offices to be set up, all of them have been given only an advisory role and the narrow 4-member 'Products Ruling Committee' clearly is not bound by the advice and recommendations of all these various units and committees.

The NBRA denies and violates the constitutional right of state governments over their agriculture. There is not only no role allowed for state governments in decision-making under the NBRA, there is a denial of their state level mechanisms and

regulations over their agriculture pertaining to biotechnology. This is completely unconstitutional (Section 25, 33(2)).

As per the provisions of Section 31 the NBRA is allowed to amend the first schedule, and this defeats the very purpose of a separate legislation for regulation and takes away the power of the elected parliamentarians over this law

The over-riding effect of the NBRA on other existing regulations is a matter of serious concern. It tramples upon the Biological Diversity Act, for instance. (Section 29)

The NBRA proposals do not contain any clauses related to conditional approvals, for a limited period, subject to review and revoking of approvals. It appears that an approval would be valid for all time to come, irrespective of other considerations!

There are no provisions in the NBRA for liability, redressal and remediation. As we know from past experience from across the world, even confined trials could involve losses and damages related to contamination and recalls which will cost a lot in terms of redressal and remediation. NBRA makes no mention of making the GM developer liable for redressal and remediation.

Even the penalty clauses have been left to be evolved in the Rules. Section 16 related to penalties and offence; an offence is narrowly defined to include only offenders "who knowingly fail to comply" and leaves room for misuse. Under Section (8), no wrongful decision of the NBRA can be invalidated and leaves room to justify almost anything.

The NBRA proposals don't talk about any mandatory prior informed public consent in its decision-making; this is a violation of the principle enshrined in the Cartagena Protocol. The NBRA proposes to make only decisions of the body public, but not the bases on which decision-making took place; it also does not talk about how public will be involved in decision-making. All of this will only reinforce the current non-credible, opaque functioning of regulators.

The NBRA seems to negate and discount the existing systems of seed assessment and regulation by having over-arching and over-riding decision-making authority.

The NBRA seeks to make amendments to the Food Safety & Standards Act with regard to clauses that govern GM foods' regulation. The proposal to alter the definition of GM foods under the FSSA is obviously a way to scuttle the labeling regime of GM foods and this is objectionable.

The Appellate Tribunal proposed to be set up under the NBRA is not acceptable in its constitution and is not broad based to include farmers' and consumers' representatives. Further, an appeal to be filed within 30 days is unreasonable - given that GM technology is unpredictable and any appeals mechanism cannot be time-bound with such technologies. Further, bar on judicial reviews on decisions taken by the Appellate Tribunal is objectionable (Section 20(2), (4), 26).

In the wake of the above objections, a single-window, fast-track clearance system proposed in the NBRA draft is not at all necessary and actually leaves much space for unscientific, undemocratic and corrupt functioning with very little checks and balances.

We are very doubtful about the unbiased functioning of the proposed set up of NBRA under the Department of Biotechnology, which has a blind mandate to promote the Biotechnology as the panacea for all the problems.

As you know, a recent United Nations report pointed out the lack of biosafety capabilities in India (like in many other countries) especially with regard to bio-terrorism with the use of biotechnology.

In this context, it would be disastrous to go in for a single-window, fast-track clearance system in the form of NBRA, just to appease the biotech industry at the expense of the security, health and environment of the nation.

In fact, till date, there has been no conclusive evidence in India that GE crops are beneficial to human and cattle health. On the contrary, there have been a large number of studies and experiences reported from all over the country which indicate that genetic engineering in agriculture, as evidenced from Bt cotton cultivation, has given rise to huge pest problems, soil toxicity & human health problems.

To mention a few, the resurgence of sucking pests on Bt cotton, the huge incidence of mealy

bugs in Punjab, AP and Vidarbha, an alarming rise of root rot disease from 2% in 2002, the year Bt cotton was introduced in AP, to 40% in 2007, and five years later, the early evidences of the development of the resistance by bollworms to the Bt cotton, the death of thousands of small ruminants and allergic reactions to farm labourers who worked on Bt cotton fields have already been recorded evidences in India.

While this is the Indian reality vis-a-vis the impact of genetic engineering on a non-edible crop, it would be extremely dangerous to go ahead with a Bill that will open up the doors for a string of genetically engineered food crops that are waiting in the queue for clearance with the Indian government. Highly respected scientists such as Dr P M Bhargava, former Director of the Centre for Cellular and Molecular Biology, Hyderabad and a recipient of the Padma Vibhushan, have openly raised questions about the way biosafety issues have been sidelined by the Indian genetic engineering regulators. Similar apprehensions have been expressed by leading environmental scientists such as Dr Vandana Shiva and Dr Suman Sahai. A number of concerned scientists and environmentalists as well as farmers and consumer organisations have also been questioning the way biosafety has become a casualty in the aggressive push for GM trials as well as the commercial approval being considered by the Government of India, under the relentless pressure exerted by the biotech industry.

In the wake of this situation, we demand that the proposed NBRA be dropped immediately in the larger public interest. India being a basket of biodiverse species and genera, should not hurry for proposals such as NBRA which, in the long run ruthlessly destroy our diverse genetic base, and make us vulnerable to all kinds of threats especially in the wake of bioterrorism.

As a people oriented democratic country, we should raise up to the occasion and learn from across the world's intense scientific processes like the IAASTD (International Assessment of Agricultural Science & Technology for Development) are concluding that Genetically Modified crops and foods are not the way forward and that ecological agriculture is the way forward. Any proposal like the NBRA would therefore be unwise and incongruous and we urge you to intervene and get the current proposals dropped immediately. □□

## Shifting economic power from Atlantic to Pacific & Budget 2010

*Budget papers give very useful information about the economy. Advent of electronic media in recent years has resulted in the shift of focus from the Budget to Budget Speech. Direct telecast of speech has become basis of appreciating the Budget of the union of India or that of the states. Since no one can scan through huge budget documents instantly, so the speech becomes important. By the time real budget reaches people, reactions by channels are closed.*

*What Finance Minister speaks in Lok Sabha is not related to Budget. The trend has taken a regular shape. It is therefore, essential to ensure that Budget is discussed and analysed at length not only in select for a but at as many places as is possible. Keeping same thing in mind we are publishing some very useful & critically analytical observations on the Union Budget 2010. We are hopeful that readers will find them useful and will utilize the contents for general awareness at their respective places - Ed.*

The worst of Financial Tsunami is not yet over. The myth of decoupling theory of the today's globalised world is over and we should be ready to face the volcanic recurrence of the financial crisis which has been overly repressed under the financial stimulus all around the world. However, the remedies of financial stimulus as suggested by Lord Keynes were for investment driven pull and not for the consumption driven push which Government of India is emulating from the US model. The high magnitude of Fiscal deficit and high Debt-GDP ratio (Table 1) may lead to hyper inflation, higher interest rates and currency collapse in many countries unless rationalisation takes place in very near future.

The Finance Minister has admittedly presented the first bud-

get of the second decade of the 21st century under the three major challenges- (i) to cross the double right growth barrier (ii) to harness the objectives of inclusive Growth and (iii) to improve the governments system and thereby to curtail the bottlenecks of the public delivery mechanism.

### I. Growth Perspective and Financial Consolidation

The GDP growth has come down from the average of 9 percent in preceding three years ending 2007-08 to a low of 6.7% in 2008-09 and marginally recovered to 7.2 percent in 2009-10 and is targeted at above 8-8.5 percent

<b>Budget at a Glance</b>			
	(In Crore of Rupees)		
	2008-2009 Actuals	2009-10 Revised Estimates	2010-11 Budget Estimates
<b>1. Revenue Receipts</b>	540259	577294	682212
2. Tax Revenue (net to Centre)	443319	465103	534094
3. Non-tax Revenue	96940	112191	148118
<b>4. Capital Receipts (5+6+7)§</b>	343697	444253	426537
5. Recoveries of Loans	6139	4254	5129
6. Other Receipts	568	25958	40000
7. Borrowings and other Liabilities*	336992	414041	381408
<b>8. Total Receipts: (1+4)§</b>	883956	1021547	1108749
<b>9. Non-plan Expenditure</b>	608721	706371	735657
10. On Revenue Account of which,	559024	641944	643099
11. Interest Payments	192204	219500	248664
12. On Capital Account	49697	64427	92506
<b>13. Plan Expenditure</b>	275235	315176	373092
14. On Revenue Account	234774	264411	315125
15. On Capital Account	40461	50765	57967
<b>16. Total Expenditure (9+13)</b>	883956	1021547	1108749
17. Revenue Expenditure (10+14)	793798	906355	958724
18. Capital Expenditure (12+15)	90158	115192	150025
<b>19. Revenue Deficit (17-1)</b>	253539	329081	276512
	-4.5	-5.3	-4
<b>20. Fiscal Deficit (In Percentage) (16-(1+5+6))</b>	336992	414041	381408
	-6	-6.7	-5.5

Note : GDP for BE 2010-2011 has been projected at Rs.6934700 crore assuming 12.5% growth over the advance estimates of 2009-2010 (Rs.6164178 crore) released by CBO.  
Source : <http://india Budget.ric.in>

in 2010-11 on a nominal value of GDP at Rs. 69,34,700 crore assuming 12.5% nominal growth over the present estimated GDP of Rs. 61,64,178 crores on the assumption of an inflation of 4 to 4.5 percent. Thus if the inflation is more than the estimates of 4 to 4.5 percent, the GDP growth rate at factor cost will be lower to that extent or below 8 percent.

The fiscal deficit which had come down to a low of 2.6 per-

<b>Comparative Analysis of debt GDP Ratio and Fiscal Deficit (Table 1)</b>			
<b>Fiscal Deficit 2009</b>		<b>Debt GDP Ratio</b>	
US-	12.3% (USD 1.75 trillion)	US -	83.4% (USD 13.67 trillion)
UK -	6% (GBP 90 billion)	UK -	68.5%
China -	3% (USD 139 billion)	India -	60.10%
India -	5.5% (3.8 lakh crore)	China -	18.20%

Source: Central Intelligence Agency, 2009

cent in 2007-08 has gone up to 5.9 percent in 2008-09 and estimated at 6.7 percent in 2009-10 is targeted at a marginally lower level of 5.5 percent in the present budget proposal for 2010-11 and to be gradually lowered at around 3 percent by 2014-15 as per the road-map laid down by the Thirteenth Finance Commissions. The most worrisome picture is for a very precarious condition of the national debt. The combined Debt-GDP ratio (Central and State) has gone to as high as 82 percent in the terminal year of 2009-10 as against the target of 75 percent as suggested by the Twelfth Finance Commission (FC). The FC XIII has suggested to bring it down to 68 percent by 2014-15 with the centre's Debt-GDP ratio declining to 45 percent. The above situation is further aggravated with continuous rise in the revenue deficit of in the Central Government which has gone up to 5.3 percent in 2009-10 and is estimated at 4 percent in 2010-11 as against the zero target mandate of the FRBM Act. The present road-map to achieve this goal is by 2014-15 as recommended by FC-XIII. It is a matter of co-incidence that the FC-XIII Report and Economic Survey were laid down together in Parliament on 25/02/10 by the Finance Minister.

The interest liability for 2010-11 is Rs. 2,48,664 as against the fresh borrowing of Rs. 3,81,408 crore or 65.20 percent of the borrowing. Although the aggregate budget expenditure is targeted at Rs. 11,08,749 crore, the total capital expenditure is Rs. 150025 only including Rs 60000 crores for defence or say only 13.53 percent of the total budget expenditure.

**Table 2**

Rate of growth at factor cost at 1999-2000 prices (per cent)

	2005-06	2006-07	2007-08	2008-09	2009-10
Agriculture, Forestry & Fishing	5.2	3.7	4.7	1.6	-0.2
Mining & Quarrying	1.3	8.7	3.9	1.6	8.7
Manufacturing	9.8	14.9	10.3	3.2	8.9
Electricity, Gas & Water Supply	6.6	10.0	8.5	3.9	8.2
Construction	12.4	10.6	10.0	5.9	6.5
Trade, Hotels & Restaurants	12.4	11.2	9.5	5.3	8.3*
Transport, Storage & Communication	11.5	12.6	13.0	11.6	
Financing, Insurance, Real Estate & Business Services	12.8	14.5	13.2	10.1	9.9
Community, Social & Personal Services	7.6	2.6	6.7	13.9	8.2
GDP at Factor Cost	9.5	9.7	9.2	6.7	7.2

Source : CSO.  
\* Transport & communication included for 2009-10 in trade, hotels and restaurants.

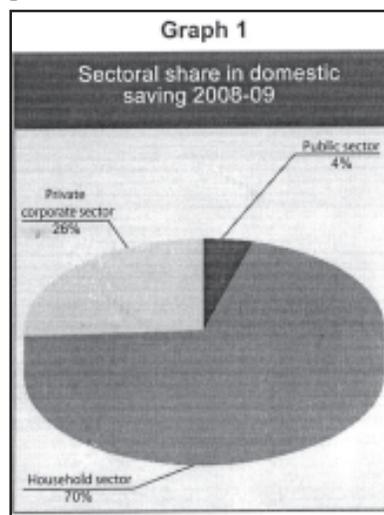
**II. Agriculture & Inclusive Growth**

Though the GDP growth is estimated at 7.2 percent in 2009-10, there is a decline by 0.2 percent in agriculture and it has been pleaded that it is due to bad monsoon and the Finance Minister has prayed to lord Indra for a better MANSOON to achieve the GDP growth of 9 percent assuming agriculture to grow by 4 percent. If the GDP in manufacturing and services sector has declined due to external factors of Global financial crisis, it should *have* no adverse impact on agriculture which is largely dependent on domestic market. However the Agriculture output has declined from a low growth of 1.6 percent in 2008-09 to a negative growth of 0.2 percent in 2009-10. The real cause

of decline in agriculture is the ignorance by the UPA Government by not making any investment in this sector. The Government is trying to compensate the decline in the income of the farmers by giving doles under NREGA but the farmers need remunerative price for their produce and control of inflation. It is very surprising to note that the cost of input to farmers is going up but the food prices by way of Minimum Support Price is not commencement with their cost of input and increasing cost of their living. Although the food prices have gone up in the market due to speculative factors and mismanagement of the supplies, the benefit of increase has not reached to the farmers. The Government needs to stop forward trading in agriculture commodities in order to control the manipulated food inflation.

It is unfortunate that the aggregate share of agriculture in national income (GDP) is shrinking and has come down to about 17 percent in 2010 from about 35 percent in 1991, although the population depending for their livelihood support on agriculture has remained quite high at about 65 percent with marginal diversion to other sectors.

The Finance Minister has un-



dertaken a four pronged initiative to improve the health of agricultural sector and for inclusive greater namely (i) increase the agricultural production (ii) reduce the wastage through proper warehousing and cold storage system. (iii) increasing the farm credit and (iv) by giving a thrust to the food processing sector.

It is hoped that the above initiative will result into due growth and improve the fortune of the rural poor along with the scheme for food security and employment guarantee scheme and will not mean a mere lip service as has happened in the past.

### (III) Improvement in Governance and Delivery Mechanism

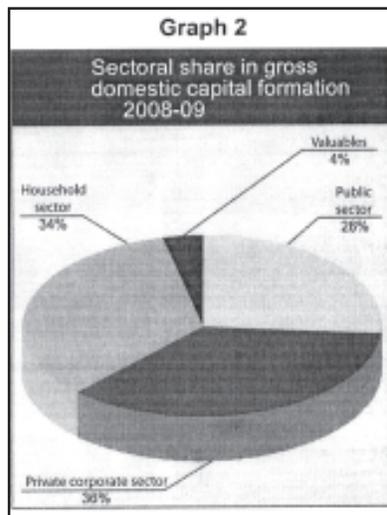
The third challenge which the Finance Minister has proposed to restore is through administrative reforms (AR) on the recommendation of the A. R. Commission which inter-alia includes:-

- i. Unique Identification Authority of India (UIDAI)
- ii. Technology Advisory group for Unique Projects (TAGUP) and
- iii. Independent Evaluation Office (IEO)

Mr. Nandan Nilekani who is the Chairman of UIDAI is also proposed to head the TAGUP. Good governance by bringing transparency and accountability in the government functioning and to improve the delivery mechanism of various government policies and programmes at the village level to achieve the overall objective of equitable and inclusive growth will be the real acid test.

### (IV) Swadeshi Views

After going through the Economic Survey, the recommendation of the Thirteenth Finance



Commission and the Budget Proposals 2010-2011, our institute desires the answers to the following questions:-

(i) While we are celebrating 60th Year of our 'Republic-day' are we sincerely doing the introspection for removal of the perennial poverty which is still around 30 per cent of our population.

(ii) While looking at vision 2020 document for India emerging as an economic power, are we really sensitive and serious about the development of our rural and poor people living in 2,38,000 villages.

(iii) While looking forward for creating a new symbol of "Indian Rupee" similar to other hot currencies, are we sincerely looking for revaluing our currency to restore its glory it had even in 1947 mitigating the assaults of devaluations, it has suffered over the last sixty year since its first devaluation in 1949.

(iv) Do we want to create an India where the inequality between the rich and the poor, between the Urban and rural would be minimized and the dignity of human life would be restored to our peo-

ple who often fall victim to anti social and anti-national elements.

(v) Do we look for an India which will have the current account surplus and have the foreign exchange reserve built of its own capital and not from the external borrowings and the foreign funds.

(vi) Can we create an India where the corruption would be least and no capital flight to tax heavens and Swiss Banks and our capital to the tune of more than US\$ 1 trillion is brought back and employed for development of our villages.

(vii) Do we really believe in Panchayati Raj System and decentralization of our economic system with a bottom up approach for collection of our taxes and devolution of resources direct from the Central Government to the Panchayats without intermediaries for the real "GRAM RAYJA".

It should be borne in mind that the World is looking for a change and a transformation. The wind of change is blowing with transfer of economic power from West to East, from North to South, from Atlantic to Pacific, from the so called developed world to the developing world and from US and Europe to Asia and particularly to India and China. The question is, are we ready to accept the challenge. If yes. we need to take a determination and a pledge for our economic sovereignty and to emerge as an economic power which will bring equity and justice not only to India but to the whole humanity based on the principles of "SARVE BHAVANTU SUKHI-NAH" and "BASUDEVA KUTUMBKAM". □□

Budgetary bankruptcy:

## A crisis and an opportunity

*Despite the chorus of praise from business houses, from the usual government-compliant academics and courtier intellectuals, the budget has failed to reduce the fiscal deficit in real terms, says* **Dr. Subramanian Swamy**

Finance Minister Pranab Mukherjee is not like his predecessor. But he is without any soft options today, shackled as he is by the recent past of the Finance Ministry's stewardship. Hence it is no surprise that despite a heroic effort to put together a dynamic budget, he has produced what could at best be termed a damp squib.

The global financial crisis is not a valid excuse for this flop of a budget. That crisis need not have affected the Indian economy at all. China was affected because its economic boom was export-led, and consequently there was a huge trade surplus with the United States and the European Union, and rising foreign exchange reserves. Therefore a slump in demand for Chinese goods hurt China. But India's exports to the U.S. and the E.U. as a ratio of GDP is still small. Then why was the Indian economy, which was not export-led like China's, affected?

Nor did the sub-prime loan default crisis in the U.S. directly cause it. The U.S. financial crisis was created by weak oversight of banks which cascaded into bankruptcy. But Indian banks are strictly regulated by the Reserve Bank of India (RBI), and they are forced to hold reserves in the name of statutory liquidity ratio (SLR) and credit reserve ratio (CRR), and to purchase of government treasury bonds. In

fact, except for HFDC Bank – owing to its own foolishness—no bank in India collapsed or even made losses during this period. Then why did India suffer? That is the key question to answer first, to know what kind of budget we needed.

The Indian economy had a setback not because of any financial contagion spreading from the U.S., or because of the interdependent global trade system, but because of the perfidious financial derivative called Participatory Notes (PNs). Its effects have been compounded by an anti-national agreement with Mauritius to permit even companies with a paid-up capital of \$1 incorporated in that country to invest in Indian stock markets and not be subjected to capital gains tax.

The financial crisis in the U.S. was officially acknowledged following the collapse of Fannie Mae and Freddie Mac, the U.S. government-owned loan providers, followed by that of Lehman Brothers in September 2008. A liquidity crunch developed in the U.S. and later in Europe. Interest rates rose as liquidity froze and funds were in demand.

The PNs, which were “hot money,” were then just shipped out of India without any hindrance— to the tune \$60 billion—in Oct. 2008 – Jan. 2009, causing a stock market crash in India that was symbolised by a steep fall in the Sensex. It is

this that caused the financial crisis in India and not the U.S. sub-prime loan defaults or exports drying up.

These two “gifts” from the previous Finance Ministers, Yashwant Sinha and P. Chidambaram, made India vulnerable. Hence, the budget should now have incorporated measures to nullify the exemptions available to PNs and scrapped the Mauritius agreement to insulate the Indian economy from the future-induced crisis.

But the PN perfidy continues without accountability. Thus, billions of dollars of “hot” money enter every year into the Bombay Stock Exchange, and these are used to buy and sell shares with PNs almost in the manner of cash transactions. In fact, it is better because cash purchases of over Rs.10,000 have to be reported with details to the Income Tax Department. Moreover, since PNs came via Mauritius, the speculators did not have to pay capital gains tax. By September 2008, PNs accounted for 60 percent of the foreign institutional investor funds in the stock market, from near-zero level in 2003. Moreover, by a special order the Finance Ministry under Mr. Chidambaram had exempted PNs from the purview of the Securities and Exchange Board of India, the RBI, the Enforcement Directorate and the Central Bureau of Investigation. SEBI, headed then by M.

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***Shipping out “hot money,”(PNs) without any hindrance to the tune of \$60 billion caused the financial crisis in India and not the U.S. sub-prime loan defaults or exports drying up.***

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Damodaran, protested and repeatedly wrote to the Ministry to permit it to require reporting of the buyer and the seller as also the source of funds as with any other stock market transaction. RBI Governor Y.V. Reddy kept warning of the dangers from PNs. But these were ignored.

The Tarapore Committee on Financial Reforms strongly condemned PNs and wanted the system scrapped. National Security Adviser M.K. Narayanan made bold to warn the country that terrorists too were earning on the Indian stock market (obviously via anonymous PNs) to finance the killing of Indians, but he was silenced. Now he is a State Governor.

Are we coming out of the economic crisis of the last two years? We certainly are, but it is not owing to the much-touted stimulus. On the other hand, it is the stimulus that is responsible for the galloping inflation. The money pumped in by loosening bank credit norms, and printing currency notes, has gone into the hands of people who are now manipulating food prices through forward trading and hoarding.

But thanks to the durability of the private manufacturing sector relying on retained internal company earnings, and the innovative IT software sector, India has survived

the government- induced financial crisis. Despite the agriculture sector performing poorly for reasons other than the global financial crisis, the GDP growth rate persists.

But this is no time to breathe easy. Another financial crisis of its own making awaits India. But when it arrives, India will not be able to overcome it easily. The coming crisis will be due internally induced factors: the developing Union budgetary bankruptcy and exploding public debt. Can India prevent it? It can, but that will require major economic and financial reforms which the present dispensation is incapable of implementing. Budget 2010-11 reflects this impotence.

Despite the chorus of praise from business houses, from the usual government-compliant academics and courtier intellectuals, the budget has failed to reduce the fiscal deficit in real terms. The Finance Minister claims the fiscal deficit will be reduced to an estimated 5.5 per cent in 2010-11. This figure is arrived at by dividing the budgeted deficit of Rs. 3.9 lakh crores by the estimated GDP of 2010-11 at current prices, which is projected to grow by 14 per cent. Translated into the retail price index, this means a rise of 15 per cent in prices in the coming year. The government statisticians are in a fix: if they lower the current price GDP level, the fiscal deficit will rise to over 7 per cent, exceeding this year's revised level of 6.9 per cent.

The budgetary crisis looming on the horizon means this: allocations under major heads of expenditure that cannot be cut without causing a crisis – such as for employee salaries, pensions, police & defence, subsidies, interest to be paid for loans taken by the government

– now cover 98 per cent of the current & capital account revenues accruing to the government. These allocations represent revenue expenditures, not asset-building or investment for development projects.

Thus the revenue budget is in a huge deficit which is covered by taking more loans from public sector banks. This situation, however, cannot continue for long because the loans the public sector banks have extended to the government have to be paid back. But here the government faces a developing debt-trap. India is heading for a situation where loan repayments will exceed the new loans the government will take. At present the government pays back 96 paise for every rupee for new loans. Public debt is now over 90 per cent of GDP and on an exploding trajectory.

My projection is that by 2013 this amortisation will be more than a rupee to be paid back against a rupee of new loan. Then India is in a debt trap & bankrupt. If the government tries to get out of this by printing more currency, it will generate an unbearable level of inflation.

We still have three years to rectify matters with new financial reforms, but with the present dispensation it is not possible. As in the past, a crisis, this time stemming from budgetary bankruptcy may turn out to be a blessing in disguise for India and enable reforms. Every crisis, starting with the food crisis of 1966-67 to the foreign exchange crisis of 1990-91, has made the Indian people come out and assert themselves. So did the 1962 war with China and the Emergency of 1975-77. So let us wait for 2013 with optimism. □□

(The author, a former Union Minister for Commerce, is the president of the Janata Party.)

## A budget crafted for the 'corporate' farmer & agribusiness

*Pranab. Mukherjee's "four-pronged strategy" for agriculture translates into a goldmine for large corporations, not the countless millions of small and marginal farmers who produce India's food, pronounces P. Sainath*

### And yet another pro-farmer budget

The real heroes of India's success story were our farmers. Through their hard work, they ensured "food security" for the country. — Pranab Mukherjee, interim budget speech Feb. 16, 2009

This Budget belongs to 'Aam Aadmi'. It belongs to the farmer, the agriculturist, the entrepreneur and the investor.— Pranab Mukherjee, budget speech, Feb. 26, 2010

Gee! Another pro-farmer budget. Going by the media, every budget this past decade has been one. Editorials across ten years have always found "a new thrust" to agriculture that spelt "good news" for the farmer. Rarely mentioned are the massive subsidies, now larger than ever before, for the Corporate sector. This year alone, the budget gifts over Rs. 500,000 crore in write-offs, direct and indirect, to the Big Boys. That's Rs. 57 crore every single hour on average — almost a crore a minute. Beating last year's Rs. 30 crore an hour by more than 70 per cent. (See Tables 5 and 12 of the "Statement of Revenue Foregone" section of the budget.)

Maybe the pro-farmer claim was merely a typo or proofing error. They just dropped the word "corporate" before "farmer." Re-instate that and all is true. This is a budget crafted for, and perhaps by, the corporate farmer and agribusiness.

Some television Channels set the tone for the debate before the budget in giant hoardings: Will

Pranab Mukherjee function "like the CEO of India Inc., or will he behave like a politician?" The message was straight: the finance minister's job is to serve India Inc. not the people of India. A second ad in this series read: "Will FM's speech DESTROY or CREATE Market Wealth?" In the event, the Finance Minister more than lived up to their demands. The budget hands out new bonanzas for Corporate Kleptocrats. It goes further than earlier ones in pushing the private sector as prime driver of development and economy. Not the public sector.

Take Mr. Mukherjee's "four-pronged strategy" for agriculture. The first of these, "agricultural production," could mean anything. The other three are a goldmine for large corporations, not the countless millions of small and marginal farmers who produce India's food. Take "Reduction in wastage of produce." This means more big bucks for companies setting up storage facilities. Take this together with the related "Credit Support to farmers." Already, an Ambani or a Godrej can set up a cold storage in Mumbai and get agricultural rates of credit for it. That's thanks to our re-jigging of what "agricultural credit" and "priority sector lending" mean. This budget takes that process further.

More and more of "agricultural" credit will go not to farmers but corporations. Indeed, "even External Commercial Borrowings will henceforth be available for cold storage or cold room facility." The

budget even says: "Changes in the definition of infrastructure under the ECB policy are being made" to foster this process. Some of those changes have already happened. Several of the loans disbursed as "agricultural credit" are in excess of Rs. 10 crore and even Rs. 25 crore. And even as loans of this size steadily grew in number between 2000 and 2006, agricultural loans of less than Rs. 25,000 fell by more than half in the same period. (See Revival of Agricultural Credit in the 2000s: An Explanation. R. Ramakumar and Pallavi Chavan, EPW December 29, 2007.)

Met any subsistence farmers taking out Rs. 25 crore loans lately? Nor will it be small or marginal farmers availing of the "full exemption from customs duty to refrigeration units required for the manufacture of refrigerated vans or trucks." Nor is the "infusion of technology" proclaimed going to help them.

The budget promises "appropriate banking facilities" in every village with a population of over 2000. Since 1993, the number of rural branches of scheduled commercial banks has steadily fallen, even as the rural population has grown. So taken together with the licenses to be given out to private operators, this means the new branches will be those of private banks. Not one of whom has an iota of interest in small and marginal farmers. Nor are they bound by the social banking obligations that once guided the nationalised sector. "A thrust to the food pro-

cessing sector” is exactly the same. More cash for big companies. You know who the “state-of-the-art infrastructure” will be built for— with public money.

Of the many claims the media have dished out for weeks now, none is more absurd than the fiction that farmers have gained massively from soaring food prices. And that rural India is doing so well, its saving the rest of us. (And doing that on a projected growth of minus 0.2 per cent).

Higher MSPs certainly helped ease pressure. So have higher global prices for some products in a few cases — briefly. But with higher food prices, with retail prices rising many times faster than wholesale, where does the farmer begin to benefit? Farm gate prices are way below those of even the wholesale markets. Further, over 70 per cent of Indian farmers are net purchasers of foodgrain. (Between 55 per cent and 60 per cent of the average Indian farm household’s monthly per capita expenditure goes on food.) Huge rises in food prices crush them. Remember the excuse trotted out for letting Big Retail sell agricultural produce? It would do away with the “middleman,” giving farmers and consumers a better deal. Yet prices of fresh produce are costlier at big retail’s outlets. You still get a better deal from the petty vendor on the street. Often, that pathetic “middleman” they’re crushing is a poor woman street vendor. The last and weakest link in the chain of intermediaries between farmer and public. The new middlemen wear suits.

The ‘higher-prices-benefit-farmers’ mob seems clueless about what has happened with cultivation costs. It took Rs. 2,500, for instance, to cultivate an acre of cotton in Vidarbha in 1991. Rs. 13,500

in 2006-07 and Rs. 18,000 to Rs. 20,000 today. (Counting family labour and like costs). The ‘gains’ from these higher costs are cornered by the corporate world in sectors like seed, fertiliser and pesticide. Soaring input costs have been crucial to farm bankruptcies, debt and suicides. The looming cuts in fertiliser subsidies won’t spark rural euphoria either.

An incentive to repay loans on time — which millions of farmers cannot do — is being passed off as an additional subsidy to the aam kisan in this budget. And there is still an air of self-congratulation on the Rs. 70,000-crore farm loan waiver of 2008. A one-off waiver that comes once in so many decades. Yet revenue foregone in this budget in direct tax concessions to corporate tax payers is close to Rs. 80,000 crores. It was over Rs. 66,000 crore last year. And Rs. 62,000 crore the year before that. In all, Rs. 2,08,000 crores of direct freebies in 36 months.

Consider that this loot-and-grab sortie has been on for two decades now. It means that in direct tax freebies alone the corporate sector has had the equivalent of some 15 ‘farm loan waivers’ since 1991. Then there’s the indirect stuff. In this year’s budget: Revenue foregone in excise duty— Rs. 1,70,765 crores. Customs duty—Rs.2,49,021 crores. Together with the Rs.80,000 crore in direct write-offs, the total nears Rs. 500,000 crores.

The media’s shameless lobbying for Corporate “wishlists” began weeks before the budget. A class and vested interest analysis of the writers, panels, discussants, “experts” (and anchors) would be edifying. Budget time is when Big media are seen for what they are: stenographers to the powerful.

Ill-informed aam aadmi rants

in the streets are quickly ‘balanced’ by ‘the experts.’ Sure, there is, in a few panels, the odd dissenter. This discussant the anchor always turns to with a wry smile of amused tolerance. The unstated message to viewers: “here’s this whacko with his loony left delusions. Accept him as the comic relief in what are otherwise serious discussions.”

Never mind that some of these deluded dissenters warned— correctly — of the type of crisis that shook the world in 2008. Not one of the “experts” ever came within miles of predicting that meltdown. They were in fact proclaiming the Golden Age to be upon us when their babble hit the fan. But no questions on their competence. Many of the “experts” have direct ties to large corporations and peddle their interests with zest. Sometimes, with a little more sophistication than panting media hucksters who show not a trace of the scepticism their profession demands of them. Straining at the leash to beat their rivals in serving the richest 1 per cent (or less) of Indians.

Mr. Mukherjee’s budget speech spouts dated World Bank babble about the “the focus of economic activity” shifting “towards the non-governmental actors.” And about “the role of Government as an enabler.” (Private corporations and football clubs also qualify as non-governmental actors, but never mind). “An enabling Government does not try to deliver directly to the citizens everything that they need. Instead it creates an enabling ethos...” His budget does that. It enables a grasping corporate world to grab more public wealth. And the entrenchment of perhaps of the most parasitic elite in the plane. □□

(Kind courtesy the Hindu)

## People are not consuming. Whose GDP is rising?

*People's capacity to spend has taken a terrible hit. Private consumption as per government estimates continues to decline. The expenses have gone below even the 2006-07 level of 3.8 per cent. The budget has indicated government's unwillingness to empower the private consumer. Simplified, it would further cut down private expenditure and hit growth prospects, explains Shivaji Sarkar*

It is doublespeak by the government. The chief ministers were assured of strengthening the public distribution system to keep a check on prices. It has now slashed spending by 25 per cent on PDS. The budget estimated a higher GDP growth. It is not reflected in per capita income and consumption pattern, which has come down sharply.

It is a moot question how or whose GDP is rising. A natural corollary to the GDP growth should have increased incomes of individuals. It has not happened. On the contrary per capita income measured in terms of GDP at constant prices has declined from 8.1 per cent in 2007-08 to 3.7 per cent in 2008-09 and expected to touch 5.4 per cent in 2009-10, partially owing to pay-revision of government employees.

Contribution of private consumption to GDP has come down to 36 per cent in the current year from a high of 78.2 per cent in 2008-09, and 51 to 58 per cent during the preceding three years. This should ring alarm bells as contribution of government spending to GDP has been constant at 10 to 11 per cent during the past seven years.

People's capacity to spend has taken a terrible hit. Private consumption as per government estimates continues to decline from 8.3 per cent in 2007-08 to 5.4 per cent in 2008-09 and a dismal 2.7 per cent



in 2009-10. The expenses have gone below even the 2006-07 level of 3.8 per cent.

It simply means people are unable to spend more as commodities & minor luxuries are going beyond their means. Last year people spent almost nothing on clothing & footwear. Spiralling prices drastically brought down their expenses on food, beverages, & tobacco.

Spending on clothing and footwear was almost nil at minus 0.6 per cent in 2008-09. It was a high of 24 per cent in 2005-06, 23 per cent the next year, came down to 8 per cent in 2007-08. The trend coincides with the inflationary figures and rising loss of jobs. No wonder this must be reflecting on the turnover and profits of these two industries, which symbolizes

growth. The two industries employ, both direct and indirect, the highest number of people with an average of 8 per cent share. As inflation gallops the health of these two industries may further get affected.

That people have less capacity to spend is also testified by fewer expenses on recreation, education and cultural services. They have spent only 5 per cent of their income in 2008-09 against 7 to 13.2 per cent in the preceding years.

They are constricted on spending on minor luxuries, if it can be called so, not only because they have to shell out more for food but also for commuting. Their commuting expenses have increased to 12.3 per cent now from 5 per cent in 2005-06. This signifies that transport fare has been

increasing primarily because of higher fuel prices.

Another area that has taken a hit is the furniture and furnishings. Expenditure on furnishings is characterised as an improvement in lifestyle pattern. Now it has apparently been affected with private expenditure on this score coming down from 15.9 per cent in 2006-07, to 14.6 per cent the next year to a mere 3.7 per cent in 2008-09. It signifies that the middle class, who is supposed to be the engine of growth, is lacking in capacity.

The expenditure on medical care and health services has suddenly increased in 2008-09 to 8.1 per cent from 2.5 to 5.8 per cent in the preceding years. The figure coincides with higher job losses and consequent possibility of less capacity to afford for nutritional food on the one hand and higher physician's fee and medicine costs on the other hand. The share of expenditure on food items has been gradually declining over the years. It was 35 per cent in 2008-09 as against 39.6 per cent in 2004-05.

It raises a fundamental question whether the government is justified in deciding to spend 25 per cent less on monitoring of food, civil supplies and PDS.

This exemplifies that the government has the less political will to tackle with the serious food inflationary situation, which is hovering between 17 and 20 per cent.

The government allocated Rs 7.2 crore in 2009-10 for the ministry of consumer affairs. The ministry spent only Rs 2.83 crore suggesting it had not taken much initiative to ensure that the commodity prices remained under check. Overall, for monitoring and research in food grains, management

and PDS the allocation was Rs 40.40 crore. The expenditure was a mere Rs 14.6 crore.

For the 2010-11, the allocation has been slashed to Rs 29.69 crore under these heads. It is surprising in view of the importance laid by the government on strengthening PDS.

Nobody in the government denies that the price situation would worsen in the days to come.

This is alarming as the Economic Affairs Department of the central government virtually contradicts about the growth projection made in the budget. The department says that there are no major changes in the overall growth rate of GDP at constant 2004-05 prices, except in 2007-08, where it has been revised to 9.2 per cent from 9 per cent. It is a sober way of stating that in real terms GDP is not growing.

The department has also expressed concern over the decline of share in agriculture to 15.9 per cent from 17.4 per cent and manufacturing to 9.9 per cent from 10.9 per cent. In short, it presents not only a contradictory picture but also a grim economic scenario.

The budget is an indicator of the government's unwillingness to empower the private consumer. The imposition of service tax on goods transport – road, rail and air – would only make life difficult. Truckers have jacked up rentals by 6 to 8 per cent owing to higher diesel prices and the service tax on goods. Railway and air bookings also would be expensive by 10 per cent. Simplified, it would further cut down private expenditure and hit growth prospects. □□

*(The writer is senior economic and political affairs journalist and ex-Sr Editor, the Financial Express)*

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## Directionless on agriculture



*Developed countries are providing huge subsidies to their farmers to maintain their food security at any cost. But they are pushing India to meet her food requirement from imports. In result, we will become dependent on them while they maintain their independence,,says* **Dr Bharat Jhunjunwala**

The growth rate of agriculture was 3.0 percent and that of manufacturing was 4.5 percent during the first three decades after Independence. The growth rate for agriculture has slipped to 2.8 percent while that for manufacturing has increased to 6.4 percent during the last 15 years. Farmers continue to commit suicides across the country. Groundwater level is declining. The country has to import wheat, edible oils and pulses year after year.

That said we must not ignore the great achievements of Indian agriculture during the last sixty years. Our greatest achievement is that of land reforms though they have not been implemented aggressively other than in West Bengal. Nevertheless, sharecroppers have mostly got control of land across the country. The energy of small farmers has come into play. They are managing land in a sustainable way since they have become owners.

Another achievement is of a fourfold increased production of food grains from 51 million tons in 1950 to 195 million tons in 2005. Our position was desperate in the sixties. At that time India was dependent upon food aid from the United States under PL480 to feed her people. Paul Ehrlich had written a book titled "The Population Bomb" at that



time. He argued that the US should abandon countries like India that were beyond redemption. India's population was rising so fast that there was no possibility of India feeding herself. The US should redirect its resources towards those countries which had some chance of survival, he had argued. India has managed to feed herself despite such predictions. Not only have we been able to feed our increasing numbers of people, we have also increased the per capita availability of food grains from 437 grams per day in 1960 to 480 grams in 2005. The credit for this great achievement goes to the government's Minimum Price Support programme. Farmers were assured for reasonable prices and they delivered.

Question arises why the rate of growth in agriculture is declining when there has been an increase in per capita availability. The secret lies in the fact that rate of growth is measured in money value while food grain availability is measured in physical terms. Say there is a six percent increase in tonnage of production of food grains this year. This should normally be reflected in a six percent rate of growth of agriculture. That assumes no change in prices. But the rate of growth declines if there is, say, a four percent decline in prices. The six percent increase in physical production leads to only two percent increase in the growth rate. The fact that growth rate has declined despite a large increase in production implies that the

prices have been declining.

Indian agriculture has become more diversified. Previously our main crops were wheat, rice, ragi, bajra and sugar cane. Now we are producing Soya bean, peanuts, sunflower, mustard, moong, fruits, flowers and vegetables in large quantities. At one time fruits like mango, apple and grapes were available in selected shops in district headquarters only. Nowadays these are avail-

able virtually at every street corner. Yet, farmers continue to undertake suicides and our dependence on imports of edible oils and pulses is deepening. The main reason for these problems is decline in prices. Our agriculture policy is based on free trade. Decline in prices is considered to be good because that makes our goods more competitive in the global markets.

The solution will not come by encouraging farmers to make more increase in their production so their profits increase despite declining prices. The success of this approach rests on decline in prices being less than the increase in production. If production increases by six percent but prices decline by eight percent then farmer's income will actually decline.

We are making two mistakes. First mistake is that we do not have a strategy to maintain high agricultural prices. The farmers' efforts to increase production may soon be made naught by the government's efforts to secure lower prices. The second problem is that we are sacrificing the long term nation's food security for short



***Farmers continue to commit suicides across the country. Groundwater level is declining. The country has to import wheat, edible oils and pulses year after year.***

term gains in trade. The rich countries are providing huge subsidies to their farmers to maintain production because they do not want to become dependent on imports for their basic requirements. We should not become dependent on food imports.

We should consider a different strategy. We should provide protection to domestic farmers from imports. In case of excess production we should provide it to other developing countries through our own PL480-type program. We should expand Minimum Price Support to a larger number of crops and bring a legislation to arrest the decline in levels of ground water.

We will need to reconsider our approach to globalization. Globalization means interdependence. But interdependence should be mutual. If we are dependent on the western countries for food and they are dependent on us for music and movies then we will be in trouble. We will not be able to escape their pincer in case our crops fail. The developed countries are providing huge subsidies to their

farmers. They say this is due to domestic political compulsions. I think this is not the truth. Actually they want to maintain their food security at any cost. They are not willing to embrace trade in food grains for domestic consumption because they do not want to become dependent on foreign countries for this essential requirement. But they are pushing India to meet her food requirement from imports. In result, we will become dependent on them while they maintain their independence.

We should take a lesson from our history. In the seventeenth century India had thriving foreign trade under the Mughal emperors. The British were not able to make inroads in our markets. At that time the Mughal rulers ceded trading rights to the British in return for them providing maritime security to our ships. This surrendering of naval responsibility was the beginning of British intrusion into India. We should not make the same mistake again by surrendering our food security to the western countries. □□

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# What India needs in 21<sup>st</sup> Century? Reforms at Home / Dependence on Aliens



*Before approving Foreign Education Bill our Parliamentarians should keep in mind millions of Indians residing in slums and rural India. Will this Bill help them in any way asks, Ankit Bhargava*

India a Super Power by 2020? Just Impossible... From where we are at present, being the most developed nation by 2020 does not seem likely. Here developed nation means all round development of citizens, multidimensional advancement of a nation, like enriching the personality of an individual.

Each & every citizen should have self-respect, fulfilling the basic needs of life and feeling of oneness as an Indian than only we can say India has developed otherwise it is developing only...

With High Rate of Corruption, close to a third of the population living below the poverty line and a vast majority of people without access to clean drinking water, sanitation, electricity, healthcare, basic education, talk about Internet is not appropriate and the notion of being the most developed nation in the world appears far fetched.

### Foreign Educational Institution (Regulation of Entry and Operation) Bill 2010

Starting from being an educationally backward country as a result of more than 150 years of colonial rule, India today is the largest education system and huge consumer market in terms of students,

Teachers, and educational institutes. According to Government Foreign Educational Institution Bill is a long awaited reform that would revamp the Country's Education System. 50 Foreign varsities interested in having campus in India. Only the best foreign varsities are allowed to function in the Higher Education System.

Hon. Minister said Investment in Education by foreign In-



stitutions would not only benefit Indian students but also help other countries get skilled workforce for their economy.

May be this would be good for Indian Higher Education Scenario and world economy but still we need to build up environment in which everyone will get benefit from this ground-breaking step in National Education & Cultural System. Dr. Sibal said one lakh Students from India go to the United States every

year for further studies and passing of such a bill would be a "Win-win Situation" for us. Is this very Big Number as comparison with rest of Indian students who are studying in India?

**No, not at all.** I think we have to analyze situation in west. There are lots of dropouts in schools. High school dropout crisis is continuously going on in United States. Every nine seconds in America a student becomes a dropout. Even President Obama is announcing steps to reduce dropout rate and prepare students for college and careers. \$ Domination is the Question of time now.

Financial crises is going on in America, Situations related to earn livelihood are not so easy, The cost of dropping out of high school today are substantial and have risen over time, especially for young man, who find it almost impossible to earn an adequate income to take care of themselves & their families.

Why we should introduce failed education System while we have our own Forgotten Education System?

If we really want world class environment in our country,

Why we are not felicitate that environment in our Indian Universities like Banaras Hindu Universi-

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***Education is not a simple matter, decisions made today, impact generations to come.***

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ty, in Jawaharlal Nehru University, in Indian Institute of Technology, in Indian institute of management and other remarkable institutes of our country?

Why we are not creating **Indian Institute of Education** to develop Teachers & Educationalist for creating endless possibilities in the field of Education? Why we are not creating Thoughtful environment for that? Why we are always underestimating our education Development capacity and capability?

Why we don't have Belief in our traditional Gurukul Education System with the taste of modern education? Why we don't have enough Confidence to say and discuss about Swadeshi concept of Education.

These question needs to be asked by every Indian who knows what India was and what Indian Education System was.

Very rightly said by Advisor to Prime Minister on Innovation, IT and Entrepreneurship Sam Pitroda Quality of Education in 90% of the Indian universities is not up to the mark.

He emphasized on expansion, excellence and equity in education.

For that we need to Restructure our own Education System and should develop ambience which is really world Class for Education as well as Life. We have to understand, Education is not a simple matter, decisions made today, impact generations to come.

### **Foreign University as a Limited Company**

Foreign Institutes has to register as a Limited Company under section 25 of the companies Act. Is it good for Education?

Are we not moving towards Thomas Macaulay brand of Education system which doesn't want to develop visionaries, leaders?

They want to manufacture Products in the form of intectutual, intercultural workers. Maximum possibilities would be these universities are going to play role in the development of human being as market products and running in the form of manufacturing units where profit is important, nothing else.

Question should be asked, after more than 50 years of Independence, why we are still looking for Foreign Education Intuitions. This shows Education mission is decades away from making a meaningful impact. Till now we are not looking like a Country because of faulty Education System, means ego-centric object oriented education system while our Education System should be Subject oriented.

Again we are trying to establish Foreign Education System for our Own Nation Building (Development of Swadesh)?

What a pity? How can we do it?

British rule is responsible for India's Self-denial. But we still looking for that education, that way of Life which has already destroy our social/Economic/Political Fabric which has already damaged our

strong concept of enriching life through the swadeshi way of education. Why we are not talking about National Education? Why we are not ready to understand our strong Cultural Heritage Richness for in-depth knowledge and self Discovery.

We should ask ourselves why only oxford and Harvard Education is world Class. Why not Indian universities!

Why we are not daring to say our ancient Education System, our languages, and our scientific outlook is world class and there is no need to say we are the Masters in **Science beyond science** called Spirituality?

Meaning of education is something different for us. We believe education is the manifestation of divinity already in human being. Here we can see divinity in different forms like Art, Creativity, Science, Dance, Music, literature, management, & sports etc.

We are the followers of Education that liberates because in our experience freedom is life and bonding is death.

The objective of Indian Education System is Free Society with in-depth Discipline. It is undeniable that in a competitive knowledge based globalized economy, the Indian education System needs a sincere makeover to match with International standards for performing better on International Platforms and participation in Public Diplomacy.

### **Minister's Statement.**

“What Dr. Man Mohan Singh did for the economy in 1991, we will do the same for education in 2009...” I think, **1991 Reforms having few positive aspects with many negative impacts.** We can

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***If you want to see Indian richness you must have different eyes***

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see that was for 30% population still 70% population still not get benefited from those Reforms may be this is going to happen again in the form of Foreign Educational Institutions Bill. If we want 100% people get benefited from our Education Policy, we need to Reshape our National Education Policy with effective implementation channels, means we should improve our own internal education system first.

It is going to be tough for the government to raise Gross Enrolment Ratio (GER) in Higher education from the present level of around 13 percent to 25 percent by 2020. The Government alone will not be able to achieve the GER target and, therefore will require partnership both with Indian & Foreign Institutes.

The new foreign varsities Bill will take time to play out and no one's sure of what will change.

**Positive Aspect of Foreign Educational Institutional Bill:**

Reservation Policy is not applicable to Foreign Institutions. If the Reservation policy is not applicable to Foreign Institutes, it should not be applicable to private Indian Institutes also.

With the Provision of No Reservation in Foreign Institutes, we are considering Reservation in Education would be the compromise with the Quality of Education.

**So, why we have Reservation in IIT, in IIM, in ICS, and even in AIMS. Why?**

*Below the decorated pillow cover, the real pillow would be too ugly.*



We should understand that **access to higher education should be based on the ability to learn not the ability to pay.** For that Government has to create Environment in which everyone can feel the real **meaning of welfare state not the social injustice on the name of social Justice.**

Cash out flow about US \$ 10 to \$ 12 Billion per year for Indian students leaving India for foreign universities, because of Lack of seats and quality Education within India. These funds enough to build 40 IIM's and @ 20 IIT'S per year!

**Negative Aspect of Foreign Educational Institutional Bill:**

The biggest problem faced by the Indian society is that higher education is reachable only for those who belongs to the rich hands of economic affordability and so a large section of Indian society has been marginalized.

The Bill is to allow foreign University in India is a good idea in 21<sup>st</sup> Century knowledge based Globalized economy time, but do not expect a Harvard or an Oxford ambience in India immediately.

Allowing foreign universities to setup shop in India is acceptable but it needs to be done after strengthening Indian Universities.

In present Situation Bill is going to increase unbalanced development in Educational System of India and this is going to affect each & every dimension of Indian social economic political scenario.

No Doubt, we have some Private Government running educational institutes which is not according to the required quality of education and need of our country. Opening the doors to foreign varsities would be helpful to fulfill the dream to be the part of world class environment. Here we have to understand we don't have that kind of academic environment in maximum Indian universities, and studying in abroad would be good to get exposure in the Foreign Life Style, Languages, Art, People & environment.

This would also helpful to make good relations with Foreign Scholars. I think campus in India will neither provide foreign academic environment nor the chance to express India as a Soft Power.

**Right to Education and Foreign Universities Bill**

Right to education Bill has direct link with this foreign educational institution Bill. Because Higher education comes into the picture when we implemented Elementary & secondary education in a proper manner. But Situation is very difficult; In Delhi 152 schools are raising voice for not accepting Right to Education Bill.

Now the Question is, when we are not able to implement our policy in the form of Act in our own country with our own people. How can we dare to think foreign universities are exactly going to move according to our Rules & Regulations?

[Conitnued on page no. 28]

# Privatisation in Higher Education is Essential for availing better Higher Education Conditions

*In spite of several examples of negative character of Privatisation, it's essential for increasing infrastructure of higher education, availing better research and technical education to involve private sector, suggests Saurabh dubey*

The theme of higher knowledge and higher education was fashioned in India by the ancient Rishis and sages in the Vedic Age, the date of which is uncertain but is supposed to be traceable to great antiquity. The early Gurukul system of education flourished in the Vedic and Upanishadic periods, but a huge University came to be set up at Takshashila in the 6th Century B.C. Two other universities, namely, Nalanda and Vikramsila were established in the 4th and 5th centuries A.D., respectively.

The modern higher education system is only 140 years old, when the first three universities were set up in 1857 under the British Rule. Policy guidelines given by Macaulay and Wood's Dispatch (1854) shaped the scope and the role of universities in India. To begin with, colleges set up in India were affiliated to British universities. In 1857, for the first time, universities were set up in India. Existing colleges got affiliated to these universities. The period 1857 to 1947 was the period of slow development of institutions of higher education in India. The rate of development was slow as in a period of 90 years only 18 universities were set up in the country. When India became independent, it had only 20 universities and 500 colleges located in different parts of the country.

But in present scenario India



is the third largest higher secondary education system in the world with 25 Central Universities, 231 state universities, five institutions established through state legislation, 100 deemed universities, 31 Institutes of National Importance as on 31st December 2007. In 2005-06, the total enrolment of students in all courses (professional and non-professional) and levels in regular stream was 11.04 million.

India has more than 100 million people in the 18-24 yrs age group. Only 10% of these have access to higher education. For an economy that is growing at 9% and more and projected to grow even more rapidly, and with an industrial growth of over 10.4%, the need for skilled work force and trained

graduates is estimated at 750000 annually. To achieve this, the quality and quantity of education institutions needs to be augmented. With this in mind the government of India set up an advisory body – The Knowledge Commission in 2005 with a view to bridge this gap and makes India a knowledge powerhouse. The Knowledge Commission has submitted its report and recommendations on educational reforms to the government. Here below is a brief description of the Indian education system.

The Prime Minister's Council on Trade and Industry, in a recent Report, has observed that education is universally recognised as an important investment in building human capital, which is a

driver for technical innovation and economic growth. Providing Education to one and all has been the constant endeavour and one of the primary duties of the Government. To be fair, it is indeed impractical to expect the Government, in one of the most populous countries in the world, to solely shoulder the responsibility of providing education to its citizens. India has one of the largest systems of higher education in the world and according to Department of Secondary and Higher Education, Government of India there are about 338 Universities as on 31/3/2005. With a vast majority of the student population having access to higher education, the situation is quite satisfying in the developed countries. Yet the percentage of student population studying at Universities in India is dismal when compared to some of the other developing countries.

Providing free and compulsory primary education has been one of the primary duties of the Government as enunciated in the Constitution, & to do justice to this end, the Government has frequently increased the amount invested in primary education. This has had an adverse impact on investment in higher education. The Government has been concentrating more on primary education than on higher education. Universities have always tried to persuade the Government to release more funds but the Government has in plain terms declared that funding for higher education must also come from other sources.

Due to various constraints, the Government cannot take up the responsibility to provide higher education all by itself and a part of the responsibility has to be delegated to the private sector, sub-

ject to certain conditions in order to prevent commercialisation. The private sector making its foray into higher education is not new to India. A large number of Educational institutions have been set up in India without the financial assistance of the Government. During the 1990's with the gradual privatisation of higher education, the budgetary allocation for higher education decreased.

There were set up committee in different time for analyzing Impact of Privatisation in Higher Education in India:

**(a) The Punnayya Committee 1992-93:** The Punnayya Committee that was set up by the University Grants Commission made valuable recommendations on the need for the Universities to identify various other means of revenue generation. The Committee has recommended that as a general rule, Universities should generate 15% of its annual maintenance expenditure through internally generated resources and this should go up to at least 25% at the end of ten years. The Committee also recommended that students receiving higher education should also bear a reasonable proportion of the cost of higher education.

**(b) Dr. Swaminathan Panel 1992:** The Dr. Swaminathan Panel which was set up by the All India Council for Technical Education also made important observations on the mobilisation of additional resources for technical education in India. The Panel has put forth the idea of collecting educational cess from industries and other organisations.

**(c) The Birla Ambani Report 2000:** The Prime Minister's Council on Trade and Industry ap-

pointed a Committee headed by Mr. Mukesh Ambani and Mr. Karmamangalam Birla to suggest reforms in the Educational sector. The Committee, which submitted its report in the year 2001, highlighted the important role of the State in the development of Education. Some of the suggestions in the report include:

- i. The Government should confine itself to Primary Education & the higher education should be provided by the Private sector.
- ii. Passage of the Private University Bill.
- iii. Enforcement of the user-pay principle in higher education.
- iv. Loans and Grants to the economically and socially weaker sections of society.

The Report suggested that the Government must concentrate more on Primary Education and encourage business houses to establish Educational Institutions.

**(d) Committee on 'Financing of Technical and Higher Education' of the Central Advisory Board of Education:** The Central Board of Education Committee recognised the limitation of non-government funding and the role state financing of higher education plays in promoting growth. The Committee also insisted on the allocation of 1% of the National Income for higher education.

**The 93rd Amendment of the Constitution:**

With privatisation of higher education, the number of Private colleges is increasing at an incredible rate. Nevertheless, it does not cease to be a service to the society. And even though an occupation, it cannot be equated to a trade or a business'. It is the duty of the State to provide educational facilities. The

shortfall in the efforts of the State may be met by private enterprise.

The increasing demand for better quality higher education in India can be met only by Private Institutions complementing the Universities established by the State. The proportion of students opting for higher education in India is increasing at a rapid rate and the only feasible way out is the privatization of the educational system. The Government, with the Constitutional obligation to provide free and compulsory Primary Education, has increased the investment in Primary Education, as a result of which, the investment

in higher education has proportionately decreased. In order to meet the growing needs it is an imperative to privatize higher education.

In the case of government institutions they are overcentralised, bureaucratic. To cater to the rising demands of quality and quantity in higher education, state universities need to be supplemented by private universities. In the newly emerging knowledge based society, the need and importance of efficiency in higher education needs no emphasis. In case of Private Universities, we have more experiences of our ancient gurukul system which were

absolute administered by roots level and minimal political intervention of society This would be beneficial for the institutions in terms of being independent. The Universities would try and implement new techniques, which would have otherwise been impossible without the permission of the State.

At last I want to say it's essential for increasing infra-structure of higher education, availing better research and technical education and more important thing dream for Higher Education should be never broken. □□

(The author is Doctoral candidate of JNU)

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[Continued from page no. 25]

## What India needs in 21<sup>st</sup> Century? Reforms at Home / Dependence .....

And why they have to follow us? When we are accepting you are world class, we are not.

### Real Life Facts about Indian Education

We should keep in mind whenever we talk about education 10 core of the Indian population residing in slums. And in slum situation is worse than the rural area. Government has Laws and Policies for the Education but they don't have the provision to continue the Education. Most of the dropouts of the schools and colleges are due to the Poverty and Unemployment. So government should provide proper scholarship to the entire student community who are economically weak instead of seeing caste.

Government has approved foreign education Bill. In which university from abroad can come to India and setup their institution.

According to a young leader (Sandeep Dattu Katke) of Dharavi (Mumbai) if it happens only the upper class (Elite) people will get the opportunity and there will be nothing for slums.

India has only 1.72% of the world GDP and has 17% of the world population. Only 10 % of all Indians understand English while English is a language used in countries which account for about 38% of the world GDP. Yet in India, while we talk of globalization, we are not serious about learning the other languages of the

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***Only intelligent  
people can  
understand India,  
only lovable people  
can love India***

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world ex. Japanese, German, French, Spanish unlike Chinese youth who are doing so otherwise.

We must have to develop India as a Knowledge Commune.

For that we need to develop our education system with continuous R&D, for that we need to create possibilities in which our big population can transform into the well organized & devoted professionals with the empathy of what is meaning and objective of education in Life Diaspora. **Most importantly we need Meditative Awareness and Young Consciousness in the form of Young India.**

Only One thing I would like to admire if really famous foreign Institutes like Oxford, Harvard coming to India are more Indian & Foreign students can study "Bharat ki Abohava mein" "Mati ki Khushbu mein" with the taste of Delicious Indian food and with the loving touch of our people. This would be Great,

Otherwise... you all know what is going to be happening in India? □□

email: ankit.education15@gmail.com

### **‘Patents & Vested Interest’**

Several civil society groups have come together to question the commerce and industry ministry’s alleged complicity in allowing meetings and interactions undermining India’s legal position on intellectual property (IP). These interactions are being organized annually with Indian judges and policy makers by the George Washington University Law School (GW Law), under its India Project, with funding from multinational pharmaceutical companies, industry associations and corporate law firms.

In a letter to commerce minister Anand Sharma, the civil society groups have demanded an immediate end to India Project’s access to Indian patent office, patent examiners, government officials and the judiciary. “Given the manner of GW Law’s projects’ funding and their overt interest in patent law enforcement, they should be recognized as an industry lobby and not an independent academic institution,” urged the letter.

Prominent sponsors and organizers of the GW Law programmes have included multinational pharmaceutical companies like Novartis, Gilead Sciences, the Pharmaceutical Research and Manufacturers of America (PhRMA), a club of the big pharma in the US, and the US-India Business Council (USIBC), and companies with a vested interest in software patents such as Intellectual Ventures, Microsoft, and Qualcomm. Many of these companies have patent applications pending in the Indian patent office and some like Novartis and Bayer are even dragging the Indian government to court in an attempt to undermine the safeguard provisions in Indian patent law.

“Pushing a one-sided agenda that favours a handful of sponsors in a meeting involving higher-level judiciary and very senior policymakers and representing this as an academic exercise is highly objectionable,” the letter stated. It added that critique of Indian patent laws by GW Law faculty and speakers at the IP summits were not balanced with presentations highlighting the Indian legislation’s importance from a right to health and medicine’s perspective. □

### **Take a Proper Decision on GM Food Items**

Rashtriya Matadata Manch, Mumbai has pleaded for a proper decision on Bt. Brinjal & other GM food items. In a letter to The Prime Minister Manch has appreciated the decision taken by that Environment Minister Jairam Ramesh has put a hold the recommendations of Genetic Engineering Approval Committee (GEAC) clearing Bt Brinjal for commercial cultivation.

The Letter further says that the research for GM items should continue under carefully controlled conditions but only after taking proper care of the decision-making in this regard.

The chairman of GEAC who approved Bt Brinjal was generalist administrator and not the expert from the field, points out the letter and asks to include representatives from medical field. Panel should have members who do not have any conflict of interest and proper trials should be conducted by government agencies and properly documented results should be published for public trustworthynrss. Noting that Bt Brinjal Brinjal is not a badly needed crop and need not be hurried to the market particularly where we could disturb the biodiversity by chance and the implications of which we cannot visualize at this moment the manch has suggested some actions as follows

We should have a different set of standards and a higher level of scientific scrutiny for food crops than that required for ‘pharmaceutical drugs’.

1. We should be cautious in going ahead with Bt crops since its toxic side effects as well as effects on biodiversity are difficult to evaluate. Unintended irreversible damage to humans, crops and environment must be avoided. GMOs once released in the environment cannot be recalled and hence the case for extreme caution.

2. Apart from GEAC, reports must be obtained by government from independent Bharatiya (not MNC-owned/ associated/ influenced) technical laboratories and research and/or study groups/individuals.

There are conflicting reports about reuse of GM crop as seed for future planting. It will not be wise to make farmers and farming including national food security dependent on supply of seeds by MNCs. Hence government should take a bold step of abolishing patents for GM products. This will also reduce considerably the undue pressure by MNCs on GEAC, government and scientists, in general. □

**Plachimada Expert Committee Report**

It is really a landmark verdict not only for the people of Plachimada but for all the agitationists fighting against the ills of multinational companies in India. Last month on 22 March the report of expert committee vindicated the cause of people fighting against Coka Cola plant for a decade. Let us understand the report first.

A fourteen-member expert committee appointed by the Kerala government to assess damages caused by the Coca-Cola's Plachimada plant at Palakkad in Kerala has recommended that the cola giant pay Rs 216 crore as compensation. The committee, headed by state's Additional Chief Secretary K Jayakumar submitted its report to Water Resources Minister NK Premachandran. The report recommended that the state government set up a tribunal to take the legal process further as it would not be possible for the affected people near the plant at Plachimada to individually fight the legal battle. It also held that Coca-Cola's plant at Palakkad had inflicted harm to farming and environment by dumping solid waste apart and by heavy withdrawal of ground water. The committee noted by passing the sludge as manure it not only misguided farmers but also led to

soil degradation and contamination

**The Saga of Bravery:** Most of the residents belong to Scheduled Tribes and are very poor financially. In 1993 a land of 39 acres was allotted by their Panchayat, i.e Perummatti to Cokka Cola plant with fake assurances from the company of getting employment and local development. But what happened was diametrically opposite. Daily 90 Lorries load of bottled beverages was produced and 15 lac



**The Moving**

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liters of groundwater withdrawn mercilessly. Not only this the whole of area was duped to purchase the solid waste as manure with the result that whole of the farmlands of poor people became barren due to this toxic waste. When people refused to take this material the company started dumping this dangerous solid waste in the ground. This further aggravated the miseries of the people because ground water started giving foul smell and became undrinkable also. There was a widespread dissatisfaction among the local residents which gradually snowballed into an agitation under the leadership of a local activist V Venugopal. But formal agitation started when the fire-brand tribal leader SK Janu gave a clarion call on 22nd April 2002. Company adopted a very rude behaviour to snub the agitation and subsequently went to High Court and got a temporary redressal also. Moreover all the political parties adopted a passive role and even seemed standing on the side of the Company.

But on the 14th day of the agitation Swadeshi Jagaran Manch declared full support for the agitation. On 17th day SJM activists held a big rally in its support. It is only after six months that Janata Dal leader Surendra Mohan all of a sudden came to the support of the agitators. Here SJM organised a historic Pada Yatra in the whole of the districts and it created a surge of support for the agitation. One by one 47 NGO's and organisations joined the bandwagon of the agitators. SJM again held a big rally at the end of the Yatra wherein Govindacharya participated. By now CPI (M) also held a rally in support of the agitation and appealed for complete boycott of Coca cola. Janata Dal MP and owner of Malyali popular newspaper Matruboomi started vehemently opposing the Comapany and his paper became almost a mouth piece of the agitation. In Trissur S.Gurumurthy addressed a grand rally to support the cause and agitation fanned out to whole of the State.

**Endless Legal Battle:** In July 2003 BBC released a documentary divulging presence of cancerous contents in the water which created a ripple throughout the world in favour of the agitation. Moreover Kerala Pollution Board also verified this fact and ultimately on 7th April Perumatti village Panchayat cancelled the license of the Company. Although the company got a temporary relief from the State High Court but Supreme Court came to the rescue of the Panchayat. Now for the last 7 years the company is locked and no production is going on. Here it should be remembered that comrade Achutanand who lended full sup-



port to the agitation when out of power, conveniently remained mum after becoming Chief Minister. Anyhow though there is support of more than 100 organisations to this agitation but the ultimately the local poor people have to bear the brunt of all these sufferings. Last year when I visited this village and saw the plight of the poor people, this amount of 216 Crore rupees appears just nothing. Even then the Company has refused to accept the finding of the report and like Bhopal Gass tragedy people will have to wait endlessly to get this pittance. I was moved to see the statue of weeping Buddha near the make shift office of Agitation. I imagined some smile on the face of statue might have emerged after arrival of this report, but this smile is temporary.

**CONCLUSION:** Whatever may be the final result, the arrival of this report is very encouraging. Right from Nyamgiri and Vedanta University agitation of Orissa to Turmeric Agitation in Andhra, to Nandigram in West Bengal, and to Ski Village agitators in Himachal Pradesh – all will listen with a sense of succor and relief that at least somebody has listened to their sufferings. I think this story should be told to others also.

### **The Story of An Organic Guru**

Last week Rediffmail gave an inspiring story in many installments, of an Organic Scientist G Nammalvar, known as the Father of Organic Farming of Tamil Nadu. Born in Tenjavur, a green belt near Kauvery, shoes to spend whole of life in the driest areas of Tamil Nadu. He caught the headlines of newspapers three years ago



when Gandhigram Rural University bestowed an honorary doctorate to this 73-year-old visionary.

After graduating in Agricultural Science from Annamalai university, he joined the Agricultural Regional Research Station at Kovilpatti as a scientist. Let us hear from him about his transformation. “There were experiments on rain fed land about the usage of hybrid seeds, chemical fertilizers and chemical pesticides. I felt the experiments were futile as the rain fed farmers were resource poor. I wanted to reorient the research work but was not successful. Frustrated, I left the institute. I spent the next 10 years as an agronomist at the island of Peace, an organization founded by the Nobel Laureate R P Dominic Pyre. My focus was on improving the standard of living through agricultural development of Kalakad block in Tirunelveli district.”

He says two men changed his life- Paulo Freire and Vinoba Bhave. He was influenced by Paulo article wherein he stressed that Rome dwelt on participatory development and participatory education. Inspired by Vinoba Bhave he abandoned western pant and shirt and started dressing up like simple farmers and it had a marvelous effect on farmers looking towards him.

He names another man, Bernard de Clarke from Belgium who

made Auroville of Arvindo Asharam ‘s 100 acre plot an experiment place for organic farming. The story is that Mother once asked her shocked disciples, “I asked for food but you are feeding me with poison. Why?” Thenceforward no chemical farming was done in Aurobind Asharam. Our hero Dr. Nammalvar was greatly influenced by this story.

He along with his friends bought a 10 acre barren plot in the dry Pudukottal districts and replicated the experiments of Auroville and in the years to come it became a holy place for all the people of the area to get inspiration for indigenous farming techniques. He has traveled to far off villages of Maharashtra, chattisgarh, uttar Preadesh, Orissa and taught people about organic farming and popularizing millets. He also undertook a padyatra for 25 days going village to village with this mission.

He side by sides educates the masses about the ill effects of the GM seeds. According to him GM seeds contaminates other plants related to the family, and would destroy the biodiversity of the soil and after that, we will not be able to choose the plants that are suitable for the area and need. He explains that it is a risky science and at any point, the gene can move from plants to animals. He further explains that when a company has a monopoly, they will decide the price of the seeds, and we lose our national sovereignty, and so it is not a problem of the farmer but of the national as a whole.

Really we need agricultural scientists like him who are fully committed to Indian ethos and who can also explain to people in simple language. □□

## We are committed to close FTA with EU by Oct: Sharma

**Commerce** and industry minister Anand Sharma says the government is committed to enter into market-opening free trade and investment agreement with the European Union by October, but without involving non-trade issues like environment and labour standards. “We are working on it. As far as we are concerned, we have a commitment,” Sharma said when asked whether the negotiations can successfully be concluded before the India-EU Summit in Oct. in Brussels.

Sharma, however, asserted that no “extra-

neous issues” can be brought in the agreement. New Delhi and its largest trading partner-EU have been negotiating the market-opening pact since June 2007 to give a boost to their bilateral commerce of around USD 82 billion. The 27-nation bloc is facing pressure from different groups for inclusion of extraneous issues like environment and child labour, which India is strongly opposed to. “Issues are discussed, issues will always remain. We are committed to close FTA with EU by Oct: Sharma. □

## Nine Vidarbha farmers end lives in 24 hours

Nine more farmers in Vidarbha region of Maharashtra committed suicide in just 24 hours. This takes the toll of farmers’ suicides to 194 this year, claimed Vidarbha Jan Andolan Samiti — an NGO keeping track on farmers’ suicides since 1997. “More than 15,000 villages in the region have been declared drought-affected by the state government but no special measures have been taken to tackle the situation,” said a samiti spokesperson.

Faced with loss of crops, the region is in dire need for financial relief and interest waiver on the last year’s crop loan. But, the state budget did not provide them any respite. “Food security, healthcare to critically ill members of the families of farmers in distress and financial assistance to marry off daughters of farmers were some of the sops expected. But, the finance minister failed to provide any of these,” said Kishore Tiwari of VJAS.

Now, all eyes are fixed to the Centre for help. “Farmers are victims of the state’s flawed policies like growing crops like bt cotton on 95% of dry land. This has caused heavy financial loss to cotton farmers and also resulted in serious water crisis,” said Tiwari.

## Capacity of terrorists to strike India is very high: HM

Home Minister P Chidambaram says the capacity of terrorists, operating from across the border, to strike places in India was high as they get support from the state. At the same time, he said the security forces have the capacity to give a “swift and decisive” response to any terror attack targeted against the country. “The challenge before security is that the source of the terror lies across our border and they have the

support of the state and therefore their capacity to reach here and strike is very high,” he said. “Let me assure you, we will prevail as we have the capacity to face any challenge of terror. Should there be any terror attack on this country, our response will be swift and decisive and we will prevail upon any terrorist threat on this country,” Chidambaram said.

The Home Minister asked every citizen to take at least minimum precaution saying: “Ultimately, we must defend ourselves. Each establishment, each shop must take minimum precaution to protect in case of terror attack.” Chidambaram listed Maoist violence as one of the grave challenges facing the country and assured the gathering that the government would free areas held by Naxals in the next three years.

“Our security forces are observing the greatest restraint. They have been instructed not to fire until they are fired upon. It is a carefully controlled and calibrated operation to establish civil administration in the Naxal affected areas,” he said. The Home Minister said the Naxals believe in armed liberation struggle and their stated goal was to overthrow the elected government and seize power by “liberating” areas.

## Sen against tighter RBI measures to tame inflation

Amid speculation that the Reserve Bank would further tighten monetary policy next month, chief statistician Pronab Sen has cautioned against any firm monetary action to cool down runaway inflation saying such a measure will cripple demand & choke higher growth.

In fact, the central bank is cautious that its measures do not pull down demand and hence is only giving “signals” to cool down the runaway inflation which is already nearing 10 per cent mark, Sen said.

## Infrastructure along border with China being upgraded

**India** will shore up its military presence in the northern borders and upgrade infrastructure along the border with China in the light of Beijing's rapid infrastructure development and its upgraded military force projection in the Tibet Autonomous Region and Xinjiang province."India also remains conscious and alert about the implications of China's military modernisation...rapid infrastructure development in the Tibet Autonomous Region and Xinjiang province has considerably upgraded China's military force projection capability and strategic operational flexibility," the Defence Ministry has said in its 2009-10 annual report.

While efforts to build 73 roads near the border with China were taken up with vigour, the Indian Air Force has upgraded the advanced landing grounds, including at Daulat Beg Oldie, to facilitate the landing of AN-32 transport aircraft. The Army was also raising two Mountain Divisions in the north-east and plans to acquire ultra-light howitzers that could be dropped via helicopters at higher altitudes. On Sri Lanka, the report said there lay "a historic opportunity" to find a lasting political settlement in northern Sri Lanka after the conclusion of operations against the LTTE. □

"The RBI needs to be cautious and they have been cautious; what they are doing now is just signalling and not compressing demand," Sen said.

Sen's remark assumes importance amid intense speculation that the banking watchdog will further suck out money supply & make cost of borrowing higher in its April 20 monetary policy to cool down inflation.

### Maoists attracting youths with salary, cut of extortion money

In an attempt to attract more unemployed youths into their armed fight, the Maoists have started shelling out Rs 3,000 to each of their cadre as salary and a cut of the extortion money. The strategy of the Maoist leadership to give monetary incentives to the cadres has led to many unemployed youngsters hailing from backward areas in the Naxal-hit states joining the movement, officials say.

"It is a matter of concern. Acute poverty coupled with lack of job opportunities is turning many youths to Naxalism. They get Rs 3,000 as monthly remuneration and a cut of the extortion money they collect," a Home Ministry official said. The extremists extort money to the tune of Rs 1,400 crore annually as they operate in mineral-rich areas where hundreds of industries are located.

Due to fear of attacks and in return of security from the Maoists, many of the industries, businessman, contractors and even some government officials in the Maoist-affected territories give extortion money to them. "They can now bring many sectors of Indian economy to their knees. But they don't want to do it today. They know that if they do that now, the state will come very hard on them. They are not fully

prepared to face the onslaught of the state machinery. So, they would rather go very slowly," Home Secretary Gopal K Pillai had said recently.

As a counter to the Maoist strategy, the government has taken up 34 districts in eight states as focus areas as all of them had high incidence of Naxal violence. Besides, the Home Ministry is also trying to build capacity in the state police forces and helping them with deployment of central forces, sharing intelligence, training support and inter-state coordination.

### 'Western univs not good for India'

Indian origin Nobel Prize winner Venkatraman Ramakrishnan says he is not in favour of western Universities setting up campuses in India as they venture into new markets purely for business reasons and often fail to reproduce the "culture of the origin". "Whenever these outstation universities set up campuses, be it in Singapore or other places, they have not been able to reproduce the culture of the origin," the Nobel winner in Chemistry, popularly known as 'Venki', said.

While top universities like the Cambridge are not going to set up their campuses, he said: "The present campuses are set up for business reasons". Though he agreed that western universities setting up campuses in India would help improve salaries of academics. He noted that there were very good scientists in India doing work that was "world class" and "internationally recognised" but what India needs is more role models. When that happens, Indian scientists will be recognised more. Looking forward to receiving the Padma Vibhushan from President Pratibha Patil, Ramakrishnan said he was touched by the Indian government's gesture. □□

## Nepal new constitution may not be drafted within 28th May

Nepal President Ram Baran Yadav hoped that the ongoing peace process will reach its logical conclusion though the new Constitution may not be drafted within the stipulated time frame of 28th May. "It is the responsibility of all the political parties of Nepal to ensure a smooth conclusion for the peace process and frame the constitution unanimously," he told on the sidelines of a Yoga session in Kathmandu. However, Yadav said that CA may not be able to draft the new Constitution as the political parties are yet to reach a consensus on the matter. "Chances are

slim that the draft constitution will be completed by the new time of 28th May," Yadav said. The comments of Yadav come at a time when media reports quoted the Maoists as saying that following the demise of Koirala, "certain elements" have become active & want to derail the peace process & drafting of the constitution.

The Constituent Assembly has failed to frame a draft by the 5th March deadline following lack of consensus among the main political parties. The CA has already exceeded the deadlines many times earlier as well. □

## Indian American appointed US chief Agriculture Negotiator

An Indian American has been appointed as the chief agriculture negotiator of the United States, who would carry out all critical negotiations for the country in the crucial Doha round and other bilateral discussions. Currently serving as a consultant to the USTR, Dr Siddiqui formerly served as Vice President for Science and Regulatory Affairs at CropLife America, where he was responsible for regulatory and international trade issues related to crop protection chemicals.

Welcoming Dr Islam A Siddiqui as Chief Agricultural Negotiator, US Trade Representative Ron Kirk said Siddiqui brings to this office incredible agricultural expertise built over years of work in both government and private sectors. Speaking on Dr Siddiqui, Kirk said "(he) can be counted on to stand up for American farmers, ranchers, and families in all our negotiations - from the Doha round talks to bilateral discussions."

"If we want to double American exports in the next five years, we have to seize every opportunity to grow agricultural exports, as well as exports of goods and services. Isi (Dr Islam Siddiqui) is going to make sure we don't leave any of those opportunities on the table," Kirk said.

## UK varsities warned against treating Indians as 'cash cows'

Indian students and others from outside the European Union will turn away from British universities if they are treated merely as "cash cows", the chief executive of the British Council has warned. Every year, thousands of students are recruited in India by agents of British universities. While most of them enjoy and benefit from the experience of studying in the UK, many are disappointed at the lack of attention and low quality of education at some universities.

Indian students pay at least three times the fee applicable to British students, which means that if a British student pays 3000 pounds for a one-year Masters course, an Indian student will pay at least 9,000 pounds for the same course. "International students have more study options today than ever before, and in an internet-connected world word quickly spreads when it appears a university regards them as little more than 'cash cows'".

## Final vote approves US healthcare bill amendments

A package of amendments to the landmark US healthcare reform law, which extends coverage to 32 million more Americans, has passed its final Congress vote. The US House of Representatives backed amendments by 220 votes to 207. The vote was needed after a number of Republican objections. The Senate earlier voted for the package by 56-43. Two points, which Democrats say are minor, were deleted.

President Barack Obama has already signed the main bill into law. He will now be able to apply a final signature, which is expected within days. Obama signed the healthcare bill into law without delay after the previous House vote, as he did not need to wait for the Senate and House votes. Those votes were on amendments submitted under a process known as budget reconciliation. The amendments have to relate to budgetary rather than policy issues. The House vote brought an end to a process the president had labelled "a year of debate and a century of trying".

## 'Chinese city is hacker's hub'

A city in eastern China has been identified as the world capital of cyber espionage by a US internet security company. The firm traced 12 billion emails in a study which showed that a higher number of "target-

**India, US clinch Nuke-reprocessing deal**

**India** & the US have finalised negotiations on arrangements and procedures for reprocessing of American-origin spent fuel, a key step for implementation of the historic civil nuclear deal signed in October rpt October 2008. The negotiations were held as per a clause in the 123 Agreement that mandated India to set up a dedicated reprocessing facility under IAEA safeguards where the spent nuclear fuel from the US could be reprocessed. “The United States & India have taken an important step toward implementing civil nuclear cooperation by completing negotiations on ‘ar-

rangements & procedures’ for reprocessing US-origin spent nuclear fuel,” the State Department said in a statement.

Under the 123 Agreement, negotiations on reprocessing were to be started 6 months after the signing of 123 Agreement & concluded within a year thereafter. Accordingly, the negotiations were started in August last year & completed well in advance. The completion of these arrangements would facilitate participation of US firms in India’s rapidly-expanding civil nuclear sector, the State Department said. □

ed attacks” on computers come from China than previously thought. Researchers for Symantec found almost 30 of “malicious” emails were sent from China and that 21.3 came from the city of Shaoxing alone. They were able to identify key targets for the hackers as experts in Asian defence policy and human rights activists, strongly suggesting state involvement.

Symantec is assisting the probe into suspected hacking attacks on Google, which closed its website in China last week. Symantec succeeded in tracing computer registration numbers, known as IPs, to find true source of the attacks. Previously, hackers in China had been camouflaging behind Taiwan servers.

The findings show China was the source of 28.2 of global targeted attacks. It was followed by Romania, with 21.1, presumed to be mostly attempts at commercial fraud. The United States came third, followed by Taiwan and then UK, with 12 of attacks.

**US sanctions on Iran may hit Indian companies**

The United States has moved one step closer to imposing tough new sanctions on Iran for its alleged nuclear transgressions, with the US Senate unanimously voting to punish non-Iranian firms that do business in Iran’s energy sector or help Teheran produce or import refined petroleum products like gasoline by blocking them from doing business in the US market. Indian companies with business links to Iran include Reliance Industries Ltd (RIL), owner of the world’s single largest petroleum refinery complex. Iran is the world’s fourth largest oil exporter, and refining its crude was part of the calculation in the massive expansion of capacity in Gujarat. Iran also imports gasoline from the Swiss firms Vitol and Glencore, the Swiss/Dutch firm Trafigura, France’s Total, and British Petroleum.

While US lawmakers are moving full steam ahead to impose sanctions on Iran, American businesses are

not fully on board. A day before the Senate vote, the US Chamber of Commerce, Business Roundtable, National Association of Manufacturers and the National Foreign Trade Council wrote to National Security Advisor Jim Jones opposing the Congress-proposed sanctions. The groups say the sanctions legislation will damage US alliances and international trade, by mandating US penalties on foreign firms that violate US unilateral Iran sanctions the Reliance-Chevron alliance being but one example. Meanwhile, Iran itself has dismissed the idea of sanctions, saying it won’t work. “These kinds of unilateral sanctions are not new to us. For the past 30 years such sanctions have been imposed by the US and everyone knows they could not be workable,” an Iranian official was quoted as saying, suggesting that Teheran knows ways of getting around the ban.

**‘Pak signed N-deal with China ahead of talks with US’**

Pakistan has reportedly entered into a civil nuclear deal with China for setting up two nuclear power stations of 640 megawatts in Chashma. According to media reports, the deal under which Beijing would be providing Islamabad financial and technical assistance for the project, was finalised ahead of the first ministerial level strategic dialogue between Pakistan and the United States. During the strategic dialogue Washington had rejected Pakistan’s demands of having an India like civil nuclear deal.

The federal government had approved an inter-government framework agreement on the financing of ‘Chashma Nuclear Power Project 3’ and ‘Chashma Nuclear Power Project 4’ with China, The Daily Times reports. Each 320-megawatt unit would contain a nuclear steam supply system, a turbine-generator set and the associated auxiliary equipment and installations, sources added. □□

## Trade in 2010 to expand by 9.5%: WTO

After the sharpest decline in more than 70 years, world trade is set to rebound in 2010 by growing at 9.5%, according to WTO economists. Exports from developed economies are expected to increase by 7.5% in volume terms over the course of the year while shipments from the rest of the world (including developing economies and the Commonwealth of Independent States) should rise by around 11% as the world emerges from recession. This strong expansion will help recover some, but by no means all, of the ground lost in 2009 when the global economic crisis sparked a 12.2% contraction in the volume of global trade — the largest such decline since World War II. The 12% drop in the volume of world trade in 2009 was larger than most economists had predicted.

Economists have suggested a number of reasons why trade declined so steeply, including the imposition of some of protectionist measures. But the consensus that has emerged centres on a sharp contraction in global demand as the primary cause. Sharp falls in wealth during the recession caused households and firms to reduce their spending on all types of goods, especially consumer durables (e.g. automobiles) and investment goods such as industrial machinery.

### 55% of rules of origin agreed

According to the outgoing chair, Mrs Vera Thorstensen (Brazil), WTO members have to date reached consensus on country-of-origin rules for 1,528 products. She said this meant 55 per cent of the work of the Committee had been completed. Mrs Thorstensen, who was chair for six years, said that “faced with the reality of globalization and increasing multi-country production of a good, our work requires reaching an agreement on specific rules of origin for 2,739 products”.

The Committee elected by acclamation Ms Jasmine Quah-Zubair (Singapore) as its chair for 2010.

### Doha Round likely to miss 2010 deadline, too

Signals emanating from ‘stock-taking’ Doha Development Agenda exercise acknowledge there is little or no progress in different dossiers of the languishing trade talks since July 2008. Though it was not formally declared, it is privately admitted that the 2010 deadline will not be achieved. “If anything, the Doha Round will not be concluded until 2013,” said a

senior Asian trade official, suggesting developing countries could not afford to place their negotiating cards on the table when the United States was not ready to reciprocate.

The chairs for different Doha negotiating bodies who presented their respective reports suggested that there is insufficient progress during the last two years. Indonesia, which is the coordinator for the G-33 coalition that includes India and China, among others, said the Doha Round must fulfil its mandate to enable developing countries to address their food and livelihood security as well as rural development needs.

### EU Trade Commissioner Says US Should ‘Make a Move’ on Doha

The European Union’s trade chief took fresh blows at the United States for holding up progress in global trade talks at the WTO, while also signalling that the EU is unwilling to make further market access concessions in agriculture. Speaking at the London School of Economics Trade Commissioner Karel De Gucht absolved Europe of responsibility for the Doha Round standstill. “The EU is still the biggest trader in the world ... However, the truth is that negotiations are currently deadlocked because of disagreement between big players other than Europe.” The United States in particular needs to “make a move” and “say what they want,” said De Gucht, who was formerly the EU’s Development Commissioner before assuming the office of Trade Commissioner in February. At the same time, De Gucht ruled out any greater concessions on market access for agricultural products by the EU, explaining “we simply wouldn’t have political backing to go further.”

Nonetheless, he added that the EU would play a “constructive part” in an effort to reach a deal in 2010, which G20 leaders set as a goal last year. At this point, however, many observers say that deadline may already be out of reach. De Gucht also took the opportunity to tout the EU as a leader in trade liberalisation, saying the EU’s FTAs are “broad and deep” and many years beyond the WTO. But he shrugged off allegations that the growth in regional free trade agreements was undermining the multilateral process. “The creation of the WTO was shortly preceded by NAFTA and the completion of the [EU’s] internal market. Bilateral progress is not a distraction but rather a springboard for global action,” said De Gucht. □□