

# SOCIAL CHANGE, AND DEVELOPMENT

A Journal of Omeo Kumar Das Institute of Social Change and Development

July 2005

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Towards an Integrated Relationship

Abu Nasar Saied Ahmed

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Individual Copy @ 50 (in India)  
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www.okdsd.org

## Social Change and Development

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Vol.3 □ July, 2005

### CONTENTS

#### ANALYSIS

Sex Selection and the New Paradigm of Development  
*VIBHUTI PATEL* 1 – 35

Growth and Instability Analysis of India's Manufactured  
Exports  
*R. K. KAUNDAL* 36 – 53

Empowering Rural Women through Micro Enterprise  
Development  
*FALENDRA K. SUDAN* 54 – 74

TRIPS and Pharmaceutical Industry in India  
*ARIJITA DUTTA* 75 – 90

#### GOVERNANCE

Deepening Decentralised Governance in Rural India:  
Lessons from the People's Plan Initiative of Kerala  
*M. A. OOMMEN* 91 – 117

Role of Elected Women Representatives in Evolving  
Alternative Governance at Grassroots  
*G. PALANITHURAI* 118 – 139

The National Question and the Quest for Political

Stability in Nigeria

EGHOSA E OSAGHAE

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Reservation Policy: Continuity and Change

JAGANNATH AMBAGUDIA

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AKHIL RANJAN DUTTA

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ABU NASAR SAIED AHMED

140 – 164

165 – 182

183 – 205

206-208

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## Sex Selection and the New Paradigm of Development

Vibhuti Patel

*Consumerist Culture oriented economic development, commercialisation of medical profession and sexist biases in our society, combined together have created a sad scenario of 'missing girls'. Global comparisons of sex ratios shows that Sex ratios in Europe, North America, Caribbean, Central Asia, the poorest regions of sub Saharan Africa are favourable to women as these countries neither kill/ neglect girls nor do they use NRTs for production of sons. The lowest sex ratio is found in some parts of India.*

*Deficit of women in India since 1901 -Violence against Women over the Life Cycle, from womb to tomb- female infanticide, neglect of girl child in terms of health and nutrition, child marriage and repeated pregnancy taking heavy toll of girls' lives- **Selective Elimination of Female Foetuses and selection of male at a preconception stage**-Legacy of continuing declining sex ratio in India in the history of Census of India has taken new turn with widespread use of new reproductive technologies (NRTs) in India. NRTs are based on principle of selection of **the desirable** and rejection of **the unwanted**. In India, the desirable is the baby boy and the unwanted is the baby girl. The result is obvious. The Census results of 2001 have revealed that with sex ratio of 927 girls for 1000 boys, India had deficit of 60 lakh girls in age-group of 0-6 years, when it entered the new millennium- **Female infanticide was practiced among selected communities, while the abuse of NRTs has become a generalised phenomenon encompassing all communities irrespective of caste, class, religious, educational and ethnic backgrounds.** Demographers, population control lobby, anthropologists, economists, legal experts, medical fraternity and feminists are divided in their opinions about gender implications of NRTs. NRTs in the context of patriarchal control over women's fertility and commercial interests are posing major threat to women's dignity and bodily integrity. The supporters of sex selective abortions put forward the argument of "Women's Choice" as if women's choices are made in social vacuum. In this context,*

*the crucial question is- Can we allow Asian girls to become an endangered species? Prenatal Diagnostic Techniques Act was enacted in 1994 as a result of pressure created by Forum Against Sex-determination and Sex-preselection. But it was not implemented. After another decade of campaigning by women's rights organisations and public interest litigation filed by CEHAT, MASUM and Dr. Sabu George, The Pre-natal Diagnostics Techniques (Regulation and Prevention of Misuse) Amendment Act, 2002 received the assent of the President of India on 17-1-2003. The Act provides "for the prohibition of sex selection, before or after conception, and for regulation of pre-natal diagnostic techniques for the purposes of detecting genetic abnormalities or metabolic disorders or sex-linked disorders and for the prevention of their misuse for sex determination leading to female foeticide and for matters connected therewith or incidental thereto". The Pre-Natal Diagnostic Techniques (Regulation and Prevention of Misuse) Amendment Rules, 2003 have activated the implementation machinery to curb nefarious practices contributing for MISSING GIRLS. We have a great task in front of us i.e. to change the mindset of doctors and clients, to create a socio-cultural milieu that is conducive for girl child's survival and monitor the activities of commercial minded techno-docs thriving on sexist prejudices. Then only we will be able to halt the process of declining sex ratio resulting into deficit of girls/women.*

## Introduction

Asian countries are undergoing a demographic transition of low death and birth rates in their populations. The nation-states in S. Asia are vigorously promoting small family norms. India has adopted two-child norm and China has ruthlessly imposed 'one child per family' rule.

Historically, most Asian countries have had strong son-preference. The South Asian countries have declining sex ratios. This presentation tries to examine gendered socio-cultural and demographic implications of new reproductive technologies, with special focus on sex-determination and sex-pre-selection technologies.

## Sex Ratios – A Global Scenario

Sex ratios in Europe, North America, Caribbean, Central Asia, the poorest region-sub Saharan Africa are favourable to women as these countries neither kill/ neglect girls nor do they use (New Reproductive Technologies) NRTs for production of sons. Only in the South Asia the sex ratios are adverse for women as the following table reveals. The lowest sex ratio is found in India.

Table 1- Women per 100 men

Europe & North America	105
Latin America	100
Caribbean	103
Sub Saharan Africa	102
South East Asia	100
Central Asia	104
South Asia	95
<b>India</b>	<b>93</b>

Source: The World's Women- Trends and Statistics, United Nations, NY, 1995

There is an official admission to the fact that "it is increasingly becoming a common practice across the country to determine the sex of the unborn child or foetus and eliminate it if the foetus is found to be a female. This practice is referred to as pre-birth elimination of females (PBEF). PBEF involves two stages: determination of the sex of the foetus and induced termination if the foetus is not of the desired sex. It is believed that one of the significant contributors to the adverse child sex ratio in India is the practice of female foetuses." <sup>1</sup>

## Dynamics of Missing Women in the Contemporary India

Legacy of continuing declining sex ratio in India in the history of Census of India has taken new turn with widespread use of new reproductive technologies (NRTs) in urban India. NRTs are based on principle of selection of the desirable and rejection of the unwanted. In India, the desirable is the baby boy and the unwanted is the baby girl. The result is obvious. The Census results of 2001 have revealed that with sex ratio of 933 women for 1000 men, India had deficit of 3.5 crore women when it entered the new millennium.

**Table-2 Demographic Profile**

Population of India	102.7 crores
Males	53.1 crores
Females	49.6 crores
<b>Deficit of women in 2001</b>	<b>3.5 crores</b>
<b>Sex ratio (no. of women per 1000 men)</b>	<b>933</b>

Source: Census of India, 2001.

### Political Economy of Missing Girls

The declining juvenile sex ratio is the most distressing factor reflecting low premium accorded to a girl child in India.<sup>2</sup> As per the Census of India, juvenile sex ratios were 971, 945 and 927 for 1981, 1991 and 2001 respectively. In 2001, India had 158 million infants and children, of which 82 million were males and 76 million were females. There was a deficit of 6 million female infants and girls. This is a result of the widespread use of sex determination and sex pre-selection tests throughout the country (including in Kerala), along with high rates of female infanticide in the BIMARU states, rural Tamilnadu and Gujarat. Millions of girls have been missing in the post independence period. According to UNFPA (2003)<sup>3</sup>, 70 districts in 16 states and Union Territories recorded more than a 50 point decline in the child sex ratio in the last one decade.

To stop the abuse of advanced scientific techniques for selective elimination of female foetuses through sex-determination, the government of India passed the PNDDT Act in 1994. But the techno-docs based in the metropolis, urban and semi-urban centres and the parents desirous of begetting only sons have subverted the act.

Sex determination and sex pre-selection, scientific techniques to be utilized only when certain genetic conditions are anticipated, are used in India and among Indians settled abroad to eliminate female babies. People of all class, religious, and caste

backgrounds use sex determination and sex pre selection facilities. The media, scientists, medical profession, government officials, women's groups and academics have campaigned either for or against their use for selective elimination of female foetuses/ embryo. Male supremacy, population control and moneymaking are the concerns of those who support the tests and the survival of women is the concern of those who oppose the tests. The Forum Against Sex Determination and Sex Pre Selection had made concerned efforts to fight against the abuse of these scientific techniques during the 1980s.

### Science in Service of Femicide :

Advances in medical science have resulted in sex-determination and sex pre-selection techniques such as Sonography, fetoscopy, needling, chorion villi biopsy (CVB) and the most popular, amniocentesis and ultrasound have become household names not only in the urban India but also in the rural India. Indian metropolis are the major centres for sex determination (SD) and sex pre-selection (SP) tests with sophisticated laboratories; the techniques of amniocentesis and ultrasound are used even in the clinics of small towns and cities of Gujarat, Maharashtra, Karnataka, Uttar Pradesh, Bihar, Madhya Pradesh, Punjab, West Bengal, Tamil Nadu and Rajasthan. A justification for this has been aptly put by a team of doctors of Harkisandas Narottamdas Hospital (a pioneer in this trade) in these words, "...in developing countries like India, as the parents are encouraged to limit their family to two offspring, they will have a right to quality in these two as far as can be assured, Amniocentesis provides help in this direction"<sup>4</sup>. Here the word 'quality' raises a number of issues that we shall examine in this paper.

At present, ultrasound machines are most widely used for sex determination purposes. "Doctors motivated in part by multinational marketing muscle and considerable financial gains are increasingly investing in ultrasound scanners."<sup>5</sup> But for past quarter century, Amniocentesis, a scientific technique that was supposed to be used mainly to detect certain genetic conditions, has been very popular in India for detection of sex of a foetus. For that purpose, 15-20 ml of amniotic fluid is taken from the womb by pricking the foetal membrane with the help of a special kind of needle. After separating a foetus cell from the amniotic fluid, a chromosomal analysis is conducted on it. This test helps in detecting several genetic disorders, such as Down's Syndrome, neurotube conditions in the foetus, retarded muscular growth, 'Rh' incompatibility, haemophilia, and other physical and mental conditions. The test is appropriate for women over 40 years because there are higher chances of children with these conditions being produced by them. A sex determination test is required to identify sex specific conditions such as haemophilla and retarded muscular growth, which mainly affect male babies.

Other tests, in particular CVB, and preplanning of the unborn baby's sex have also been used for SD and SP tests. Diet control method, centrifugation of sperm, drugs (tablets known as SELECT), vaginal jelly, 'Sacred' beads called RUDRAKSH and recently advertised Gender Select kit are also used for begetting boys.<sup>6</sup>

Compared to CVB and pre-selection through centrifugation of sperm, amniocentesis is more hazardous to women's health. In addition, while this test can give 95-97% accurate results, in 1% of the cases the test may lead to spontaneous abortions or premature delivery, dislocation of hips, respiratory complications or needle puncture marks on the baby.<sup>7</sup>

### Popularity of the test

Amniocentesis became popular in the last twenty-five years though earlier they were conducted in government hospitals on an experimental basis. Now, this test is conducted mainly for SD and thereafter for extermination of female foetus through induced abortion carried out in private clinics, private hospitals, or government hospitals. This perverse use of modern technology is encouraged and boosted by money minded private practitioners who are out to make Indian women "male-child-producing machines." As per the most conservative estimate made by a research team in Bombay, sponsored by the Women's Centre, based on their survey of six hospitals and clinics; in Bombay alone, 10 women per day underwent the test in 1982.<sup>8</sup> This survey also revealed the hypocrisy of the 'non-violent,' 'vegetarian,' 'anti-abortion' management of the city's reputable Harkisandas Hospital, which conducted antenatal sex determination tests till the official ban on the test was clamped in 1988 by the Government of Maharashtra. The hospital's handout declared the test to be 'humane and beneficial'. The hospital had outpatient facilities, which were so overcrowded during 1978-1994 that couples desirous of the SD test had to book for the test one month in advance. As its Jain management did not support abortion, the hospital recommended women to various other hospitals and clinics for abortion and asked them to bring back the aborted female foetuses for further 'research'.

### Scenario During the 1980s:

During 1980s, in other countries, the SD tests were very expensive and under strict government control, while in India the SD test could be done for Rs. 70 to Rs. 500 (about US \$6 to \$40). Hence, not only upper class but even working class people could avail themselves of this facility. A survey of several slums in Bombay showed that many women had undergone the test and after learning that the foetus was female, had an abortion in the 18<sup>th</sup> or 19<sup>th</sup> week of pregnancy. Their argument was that it was better to spend Rs. 200 or even Rs. 800 now than to give birth to a female baby and spend thousands of rupees for her marriage when she grew up.

The popularity of this test attracted young employees of Larsen and Toubro, a multinational engineering industry. As a result, medical bills showing the amount spent on the test were submitted by the employees for their reimbursement by the company. The welfare department was astonished to find that these employees were treating sex determination tests so casually. They organized a two-day seminar in which doctors, social workers, and representatives of women's organisations as well as the family planning association were invited. One doctor who carried on a flourishing business in SD stated in a seminar that from Cape-Comorin to Kashmir people phoned him at all hours of the day to find out about the test. Even his six-year-old son had learnt how to ask relevant questions on the phone such as, "Is the pregnancy 16 weeks old, etc.?"

Three sociologists conducted micro-research in Bijnor district of Uttar Pradesh. Intensive field work in two villages over a period of a year, and an interview survey of 301 recently delivered women drawn from randomly selected villages in two community developed blocks adjacent to Bijnor town convinced them of the fact that "Clinical services offering amniocentesis to inform women of the sex of their foetuses have appeared in North India in the past 10 years. They fit into cultural patterns in which girls are devalued".<sup>10</sup> According to the 1981 Census, the sex ratio of Uttar Pradesh and Bijnor district respectively, were 886 and 863 girls per 1000 boys. The researchers also discovered that female infanticide practiced in Bijnor district until 1900, had been limited to Rajputs and Jats who considered the birth of a daughter as a loss of prestige. By contrast, the abuse of amniocentesis for the purpose of female foeticide is now prevalent in all communities.

In Delhi, the All India Institute of Medical Science began conducting a sample survey of amniocentesis in 1974 to find out about foetal genetic conditions and easily managed to enroll 11000 pregnant women as volunteers for its research.<sup>11</sup> Main interest of these volunteers was to know sex of the foetus. Once the results were out, those women who were told that they were carrying female fetuses, demanded abortion.<sup>12</sup> This experience motivated the health minister to ban SD tests for sex selection in all government run hospitals in 1978. Since then, Private sector started expanding its tentacles in this field so rapidly that by early eighties Amniocentesis and other sex selection tests became bread and butter for many gynaecologists.

A sociological research project in Punjab in 1982 selected, in its sample, 50% men and 50% women as respondents for their questionnaire on the opinions of men and women regarding SD tests. Among male respondents were businessmen and white-collar employees of the income group of Rs. 1000/- to Rs. 3500/- per month, while female respondents were mainly housewives. All of them knew about the test and found it useful.<sup>13</sup> Why not? Punjab was the first to start the commercial use of this test as early as in 1979. It was the advertisement in the newspaper regarding the New

Bhandari Ante-Natal SD Clinics in Amritsar that first activated the press and women's groups do denounce the practice.

A committee to examine the issues of sex determination tests and female foeticide, formed at the initiative of the government of Maharashtra in 1986, appointed Dr. Sanjeev Kulkarni of the Foundation of Research in Community Health to investigate the prevalence of this test in Bombay. Forty-two gynaecologists were interviewed by Dr. Sanjeev Kulkarni, who is himself a gynaecologist. His findings disclosed that about 84% of the gynaecologists interviewed were performing amniocentesis for SD tests. These 42 doctors were found to perform on-an-average 270-amniocentesis tests per month. Some of them had been performing the tests for 10-12 years. But the majority of them started doing so only in the last five years. Women from all classes, but predominantly middle class and lower class of women, opted for the test. About 29% of the doctors said that up to 10% of the women who came for the test already had one or more sons. A majority of doctors feel that by providing this service they were doing humanitarian work. Some doctors feel that the test was an effective measure of population control. With the draft of the 8<sup>th</sup> Five-Year Plan, the Government of India aimed to achieve a Net Reproduction Rate of one (i.e. the replacement of the mother by only one daughter). For this objective SD and SP were seen as handy; the logic being a lesser number of women means less reproduction.<sup>14</sup>

#### Controversy Around Amniocentesis and other SD & SP Tests

Twenty years ago a controversy around SD and SP started as a result of several investigative reports published in popular newspapers and magazines such as *India Today*, *Eve's Weekly*, *Sunday* and other national and regional English language journals. One estimate that shocked many, from academicians to activists, was that between 1983 and 1987, about 78000 female fetuses were aborted after SD tests as per *Times of India* editorial in June, 1986. The article by Achin Vanayak<sup>15</sup> in the same paper revealed that almost 100% of 15914 abortions during 1984-85 by a well-known abortion centre in Bombay were undertaken after SD tests.

All private practitioners in the SD tests who used to boast that they were "doing social work" by helping miserable women, exposed their hypocrisy when they failed to provide facilities of amniocentesis to pregnant women during the Bhopal gas tragedy, in spite of repeated requests by women's groups and in spite of many reported cases of the birth of the deformed babies as a result of the gas carnage. Thus it is clear that this scientific technique is in fact not used for humanitarian purposes, not because of "empathy towards poor Indian women" as has been claimed. Forced sterilization of males during the emergency rule brought politically disastrous consequences for the Congress Party. As a result in the post emergency period, there has been a shift in the policy and women became the main target of population control. SD and

SP's after effects, harmful effects of hormone based contraceptive pills and anti-pregnancy injections and camps for mass IUD insertion and mass sterilization of women with their unhygienic provisions, are always overlooked by enthusiasts of the Family Planning Policy. Most population control research is conducted on women without consideration for the harm caused by such research to the women concerned.<sup>16</sup>

India has had a tradition of killing female babies (custom of DUDHAPITI) by putting opium on the mother's nipple and feeding the baby, by suffocating her in a rug, by placing the afterbirth over the infant's face, or simply by ill-treating daughters.<sup>17</sup> A survey by *India Today*, 15.6.1986, revealed that among the Kallar community in Tamil Nadu, mother who gave birth to baby girls may be forced to kill their infant by feeding them milk from poisonous oleander berries. This author is convinced that researcher could also find contemporary cases of female infanticide in parts of western Gujarat, Rajasthan, Uttar Pradesh, Bihar, Punjab and Madhya Pradesh. In addition, female members of the family usually receive inferior treatment regarding food, medication and education.<sup>18</sup> When they grow up, they are further harassed with respect to dowry. Earlier, only among the higher castes, the bride's parents had to give dowry to the groom's family at the time of engagement and marriage. As higher caste women were not allowed to work outside the family, their work had no social recognition. The women of the higher castes were seen as a burden. To compensate the husband for shouldering the burden of his wife, dowry was given by the girl's side to the boy's side. Lower class women always worked in the fields, mines, plantations, and factories and as artisans. Basic survival needs of the family such as collection of firewood and water, horticulture and assistance in agricultural & associated activities; were provided by the women of lower castes and lower classes. Hence women were treated as productive members among them and there was no custom of dowry among the toiling masses.

Historically, practice of female infanticide in India was limited among the upper caste groups due to system of hypergamy (marriage of a woman with a man from a social group above hers) because of the worry as to how to get a suitable match for the upper caste woman?<sup>19</sup>

Males in the upper class also thought that a daughter would take away the natal family's property to her in-laws after her marriage. In a patri-local society with patri-lineage, son preference is highly pronounced. In the power relations between the brides and grooms family, the brides side always has to give in and put up with all taunts, humiliations, indignities, insults and injuries perpetrated by the grooms family. This factor also results into further devaluation of daughters. The uncontrollable lust of consumerism and commercialisation of human relations combined with patriarchal power over women have reduced Indian women to easily dispensable commodities. Dowry is an easy money, 'get rich quick' formula spreading in the society

as fast as cancer. By the late eighties, dowry had not been limited to certain upper castes only but had spread among all communities in India irrespective of their class, caste and religious backgrounds. Its extreme manifestation was seen in the increasing state of dowry related murders. The number of dowry deaths was 358 in 1979, 369 in 1980, 466 in 1981, 357 in 1982, 1319 in 1986 and 1418 in 1987 as per the police records. These were only the registered cases; the unregistered cases were estimated to be ten times more.

#### **Academicians Plunged in the Debate:**

In such circumstances, "Is it not desirable that a woman dies rather than be ill-treated?" asked many social scientists. In Dharam Kumar's<sup>20</sup> words: "Is it really better to be born and to be left to die than be killed as a foetus? Does the birth of lakhs or even millions of unwanted girls improve the status of women?"

Before answering this question let us first see the demographic profile of Indian women. There was a continuous decline in the ratio of females to males between 1901 and 1971. Between 1971 and 1981 there was a slight increase, but the ratio continued to be adverse for women in 1991 and 2001 Census. The situation is even worse because SD is practiced by all-rich and poor, upper and the lower castes, the highly educated and illiterate - whereas female infanticide was and is limited to certain warrior castes.<sup>21</sup>

Many economists and doctors have supported SD and SP by citing the law of supply and demand. If the supply of women is reduced, it is argued, their demand as well as status will be enhanced.<sup>22</sup> Scarcity of women will increase their value.<sup>23</sup> According to this logic, women will cease to be an easily replaceable commodity. But here the economists forget the socio-cultural milieu in which women have to live. The society that treats women as mere sex and reproduction object will not treat women in more humane way if they are merely scarce in supply. On the contrary, there will be increased incidences of rapes, abduction and forced polyandry.

#### **Agents Hired to buy the Brides and Forced Polyandry:**

In Madya Pradesh, Haryana, Rajasthan and Punjab, among certain communities, the sex ratio is extremely adverse for women. There, a wife is shared by a group of brothers or sometimes even by patrilineal parallel cousins.<sup>24</sup> Recently, in Gujarat, many disturbing reports of reintroduction of polyandry (Panchali system- woman being married to five men) have come to the light. In villages in Mehsana District, the problem of declining number of girls has created major social crisis as almost all villages have hundreds of boys who are left with no choice but to buy brides from outside.<sup>25</sup>

To believe that it is better to kill a female foetus than to give birth to an unwanted female child is not only short-sighted but also fatalistic. By this logic it is better to kill poor people or Third World masses rather than to let them suffer in poverty and deprivation. This logic also presumes that social evils like dowry are God-given and we cannot do anything about it. Hence, victimise the victims.

Another argument is that in cases where women have one or more daughters they should be allowed to undergo amniocentesis so that they can plan a 'balanced family' by having sons. Instead of continuing to produce female children in the hope of giving birth to a male child, it is better for the family's and the country's welfare that they abort the female foetus and produce a small and balanced family with daughters and sons. This concept of the 'balanced family' however, also has a sexist bias. Would the couples with one or more sons request amniocentesis to get rid of male foetuses and have a daughter in order to balance their family? Never! The author would like to clarify the position of feminist groups in India. They are against SD and SP leading to male or female foeticide.

What price should women pay for a 'balanced family?' How many abortions can a woman bear without jeopardising her health?

#### **Do Women Have A Choice?**

Repeatedly it has been stated that women themselves enthusiastically welcome the test of their free will. "It is a question of women's own choice." But are these choices made in a social vacuum? These women are socially conditioned to accept that unless they produce one or more male children they have no social worth.<sup>26</sup> They can be harassed, taunted, even deserted by their husbands if they fail to do so. Thus, their 'choices' depend on fear of society. It is true that feminists throughout the world have always demanded the right of women to control their own fertility, to choose whether or not to have children and to enjoy facilities for free, legal and safe abortions. But to understand this issue in the Third World context, we must see it against the background of imperialism and racism, which aims at control of the 'coloured population.' Thus, "It is all too easy for a population control advocate to heartily endorse women's rights, at the same time diverting the attention from the real causes of the population problem. Lack of food, economic security, clean drinking water and safe clinical facilities have led to a situation where a woman has to have 6.2 children to have at least one surviving male child. These are the roots of the population problem, not merely desire to have a male child"<sup>27</sup>.

#### **Economics and Politics of Femicide**

There are some who ask, "If family planning is desirable, why not sex-planning?" The issue is not so simple. We must situate this problem in the context of commer-

cialism in medicine and health care systems, racist bias of the population control policy and the manifestation of patriarchal power.<sup>28</sup> Sex choice can be another way of oppressing women. Under the guise of choice we may indeed exacerbate women's oppression. The feminists assert; survival of women is at stake.

Outreach and popularity of sex pre-selection tests may be even greater than those of sex determination tests, since the former does not involve ethical issues related to abortion. Even anti-abortionists would use this method. Dr. Ronald Ericsson, who has a chain of clinics conducting sex preselection tests in 46 countries in Europe, America, Asia and Latin America, announced in his hand out that out of 263 couples who approached him for begetting offsprings, 248 selected boys and 15 selected girls.<sup>29</sup> This shows that the preference for males is not limited to the Third World Countries like India but is virtually universal. In Ericsson's method, no abortion or apparent violence is involved. Even so, it could lead to violent social disaster over the long term. Although scientists and medical professionals deny all responsibilities for the social consequences of sex selection as well as the SD tests, the reality shatters the myth of the value neutrality of science and technology. Hence we need to link science and technology with socio-economic and cultural reality.<sup>30</sup> The class, racist and sexist biases of the ruling elites have crossed all boundaries of human dignity and decency by making savage use of science. Even in China, after 55 years of "revolution", "socialist reconstruction" and the latest, rapid capitalist development SD and SP tests for femicide have gained ground after the Chinese government's adoption of the "one-child family" policy.<sup>31</sup> Many Chinese couples in rural areas do not agree to the one child policy but due to state repression they, while sulking, accept it provided the child is male. This shows how adaptive the system of patriarchy and male supremacy is. It can establish and strengthen its roots in all kinds of social structures- pre-capitalist, capitalist and even post-capitalist - if not challenged consistently.<sup>32</sup>

#### Action against SD and SP

How can we stop deficit of Indian Women? This question was asked by feminists, sensitive lawyers, scientists, researchers, doctors and women's organisations such as Women's Centre (Bombay), Saheli (Delhi), Samata (Mysore), Sahiar (Baroda) and Forum Against SD and SP (FASDSP) - an umbrella organisation of women's groups, doctors, democratic rights groups, and the People's Science Movement. Protest actions by women's groups in the late 70s got converted into a consistent campaign at the initiative of FASDSP in the 1980s. Even research organisations such as Research Centre on Women's Studies (Mumbai), Centre for Women's Development Studies (Delhi) and Voluntary Health Organisation, Foundation for Research in Community Health also took a stand against the tests. They questioned the "highly educated", "enlightened" scientists, technocrats, doctors and of course, the state who help in

propagating the tests.<sup>33</sup> Concerned groups in Bangalore, Chandigarh, Delhi, Madras, Calcutta, Baroda and Bombay have demanded that these tests should be used for limited purpose of identification of serious genetic conditions in selected government hospitals under strict supervision. After a lot of pressure, media coverage and negotiation, poster campaigns, exhibitions, picketing in front of the Harkisandas Hospital in 1986, signature campaigns and public meetings and panel discussions, television programmes and petitioning; at last the Government of Maharashtra and the Central Government became activated. In March 1987, the government of Maharashtra appointed an expert committee to propose comprehensive legal provisions to restrict sex determination tests for identifying genetic conditions. The committee was appointed in response to a private bill introduced in the Assembly by a Member of Legislative Assembly (MLA) who was persuaded by the Forum. In fact the Forum approached several MLA's and Members of the Parliament to put forward such a bill. In April 1988, the government of Maharashtra introduced, a bill to provide for the regulation of the use of Medical or Scientific techniques of pre natal diagnosis solely for the purpose of detecting genetic or metabolic disorders or chromosomal abnormalities or certain congenital anomalies or sex linked conditions and for the prevention of the misuse of prenatal sex determination leading to female foeticide and for matters connected therewith or incidental thereto (L. C. Bill No. VIII of 1988). In June 1988, the Bill was unanimously passed in the Maharashtra Legislative Assembly and became an Act. The Acts preview was limited only to SD tests, it did not say anything about the SP techniques. It admitted that medical technology could be misused by doctors and banning of SD tests had taken away the respectability of the Act of SD tests. Not only this, but now in the eyes of law both the clients and the practitioners of the SD tests are culprits. Any advertisement regarding the facilities of the SD tests is declared illegal by this Act. But the Act had many loopholes.

Two major demands of the Forum that no private practice in SD tests be allowed and in no case, a woman undergoing the SD test be punished, were not included in the Act. On the contrary the Act intended to regulate them with the help of an 'Appropriate Authority' constituted by two government bureaucrats, one bureaucrat from the medical education department, one bureaucrat from the Indian Council of Medical Research, one Gynaecologist and one geneticist and two representatives of Voluntary Organisations, which made a mockery of 'peoples participation'. Experiences of all such bodies set by the government have shown that they merely remain paper bodies and even if they function they are highly inefficient, corrupt and elitist.

The Medical mafia seemed to be the most favoured group in the act. It, "has scored the most in the chapter on Offences and Penalties....the last clause of this chapter empowers the court, if it so desires and after giving reasons, to award less punish-

ment than the minimum stipulated under the Act. That is, a rich doctor who has misused the techniques for female foeticide, can with the help of powerful lawyers, persuade the court to award minor punishment," said Dr. Amar Jesani in his article in *Radical Journal of Health*, 1988. The court shall always assume, unless proved otherwise, that a woman who seeks such aid of prenatal diagnosis procedures on herself has been compelled to do so by her husband or members of her family."<sup>34</sup> In our kind of social milieu, it is not at all difficult to prove that a woman who has a SD test went for it of her "free will". The Act made the victim a culprit who could be imprisoned up to three years. For the woman, her husband and her in-laws, using SD tests became a "cognisable, non-bailable and non-compoundable" offence! But the doctors, centres and laboratories were excluded from the above provision. The Act also believed in victimising the victim. With this act, the medical lobby's fear that the law would drive SD tests underground, vanished. They could continue their business above ground. A high powered committee of experts had been appointed by the Central Government to introduce a bill applicable throughout India to ban SD tests leading to female foeticide.

The Forum accepted that with the help of the law alone, we can not get rid of female foeticide. Public education and the women's right movement are playing a much more effective role in this regard. Some of the most imaginative programs of the Forum and women's groups have been a rally led by daughters on 22.11.86, a children's fair challenging sex stereotyping and degradation of daughters, picketing in front of the clinics conducting the SD tests, promoting a positive image of daughters through stickers, posters and buttons, for example, 'daughters can also be a source of support to parents in their old age,' 'eliminate inequality, not women', 'Demolish dowry, not daughters', 'make your daughter self sufficient, educate her, let her take a job, she will no longer be a burden on her parents.' The Forum also prepared "Women's struggle to survive," a mobile fair that was organised in different suburbs of Bombay, conveyed this message through its songs, skits, slide-shows, video films, exhibitions, booklets, debates and discussions.

#### Recent Studies on Socio-Cultural Background of Son Preference and Neglect of Daughters:

Recent studies have revealed that, in South Asia, we have inherited the cultural legacy of strong son-preference among all communities, religious groups and citizens of varied socio-economic backgrounds. Patri-locality, patri-lineage and patriarchal attitudes manifest in, women and girls having subordinate position in the family, discrimination in property rights and low-paid or unpaid jobs. Women's work of cooking, cleaning and caring is treated as non-work. Hence, women are perceived as burden.<sup>35</sup> At the time of marriage, dowry is given by the bride's side to the groom's side for shouldering 'the burden of bride'. In many communities female babies are

killed immediately after birth either by their mothers or by elderly women of the households to relieve themselves from the life of humiliation, rejection and suffering. In the most prosperous state of Punjab, the conventional patriarchal preference of male children leads to thousands of cases of sex selective abortions.<sup>36</sup> Recently a man drowned and killed his 8-year old daughter and also tried to kill his wife for having borne him the girl child. According to the Chandigarh (Punjab) based Institute for Development and Communication, during 2002-2003 every ninth household in the state acknowledged sex selective abortion with the help of ante-natal sex determination tests.<sup>37</sup>

Recently, Voluntary Health Association of India has published its research report based on fieldwork in Kurukshetra in Haryana, Fatehgarh Sahib in Punjab and Kangra in Himachal Pradesh that have worst child sex ratio as per 2001 Census. The study surveyed 1401 households in villages, interviewed 999 married women, 72 doctors and 64 Panchayat members. It revealed that "The immediate cause for the practice of female foeticide is that daughters are perceived as economic and social burden to the family due to several factors such as dowry, the danger to her chastity and worry about getting her married."<sup>38</sup>

In this context, commercial minded techno-docs and laboratory owners have been using new reproductive technologies for femicide for over two and half decades. Among the educated families, adoption of small family norm means minimum one or two sons in the family. They can do without daughters. The propertied class do not desire daughter/daughters because after marriage of the daughter, the son-in-law may demand share in property. The property-less classes dispose off daughters to avoid dowry harassment. But they don't mind accepting dowry for their sons. Birth of a son is perceived as an opportunity for upward mobility while birth of a daughter is believed to result in downward economic mobility. Though stronghold of this ideology was the North India, it is increasingly gaining ground all over India.

**Table 3: Index of Son Preference for Major States in India, 1990**

<u>States</u>	<u>Index of Son Preference*</u>	<u>Rank</u>
Andhra Pradesh	13.8	11
Bihar	24.5	4
Gujarat	23	6
Haryana	14.3	10
Karnataka	20	8
Kerela	11.7	12
Madhya Pradesh	27.1	2
Maharashtra	18	9

Orissa	23.4	5
Punjab	20.3	7
Rajasthan	25	3
Tamilnadu	9.2	13
Uttar Pradesh	21.6	1
West Bengal	14.3	10
<b>All India</b>	<b>20</b>	

### Index of Son-preference =100 (E/C)

Where, E =the excess number of sons over daughters considered ideal  
C= the ideal family size.

Sources: Rajan S.I., U.S. Mishra and T.K. Vimla (1996) "Choosing a Permanent Contraceptives: Does Son Preference Matter?" Economic and Political Weekly, July p.20, p.1980. The Third All India Survey of Family Planning Practices in India, ORG, Vadodara, 1990. Calculated by Eapen and Kodoth (2001).

BIMARU states (Bihar, Madhya Pradesh, Rajasthan, Uttar Pradesh) were at the top of the rank for son preference in 1990. Orissa was 5<sup>th</sup> in the rank. Avers Prof. Ashish Bose (2001), "The unholy alliance between tradition (son-complex) and technology (ultrasound) is playing havoc with Indian Society." <sup>39</sup> Kerala ranked 12<sup>th</sup> in the index of son-preference. However the sharp decline in fertility and strong preference for small family norm does raise the possibility of enhanced gender bias. In several states of India- Maharashtra, Gujarat, Bihar, Uttar Pradesh, Rajasthan, Madhya Pradesh, Punjab, Haryana and Tamilnadu sex-selective abortions of female foetuses have increased among those who want small families of 1 or 2 or maximum 3 children. <sup>40</sup> Communities, which were practicing female infanticide, started using sex-selective abortions. <sup>41</sup> Many doctors have justified female foeticide as a tool to attain Net Reproduction Rate (NRR) of 1 i.e. to attain population stabilisation; mother should be replaced by only one daughter. <sup>42</sup> But here also there is a gender bias. To attain population stabilisation, a fertility rate of 2.1 is envisaged. There is an evidence to indicate a sex ratio in favour of males and a prolonged duration of gender differentials in survivorship in the younger ages, results in a tendency to masculinizing of the population sex ratio.

Even this does not worry the western scholars who have no inkling of the ground reality in the subcontinent. For example, Prof. Dickens avers, "Son preference has produced, but might also mitigate, the sex ratio imbalance...If sons wish, as adults, to have their own sons, they need wives. The dearth of prospective wives will, in perhaps short time, enhance the social value of daughters, reversing their vulnerability and the force of male dominance."<sup>43</sup>

This neo-classical logic of Law of Demand and Supply does not apply to the complex social forces where patriarchy controls sexuality, fertility and labour of women without any respect to her bodily integrity. Hence, the real life experiences speak to the contrary. In fact, shortage of women in Haryana, Punjab and the BIMARU states have escalated forced abduction and kidnap of girls, forced polyandry, gang rape and child-prostitution.<sup>44</sup>

It has been noted that the fertility rates in Kerala have declined over the past few decades and currently the Crude Birth Rates (CBR) for the State is as low as 17.9 per thousand population in 1997 (RGI, 1998). The Infant Mortality Rates (IMR) is also one of the lowest experienced among Indian States, about 12 per thousand live births again in 1997 (RGI, 1998). The indicators of human well being in Kerala are among the best in relation to the different states of India. With modernisation and changing life styles wrought by both external migration and incomes from remittances there has been a qualitative change in the lives of the people. There has been a proliferation of private health care in the state and this in addition to the demand driven factors has contributed to the better access to health care in the state. One of the factors associated with the proliferation of health care facilities, especially in the private sector, has been the improvement in the availability of medical diagnostics. Medical personnel have also sought the use of such facilities not only to improve diagnostics, but also to avoid the complications of expensive litigation in the light of the inclusion of private medical practice within the preview of Consumer Protection Act, 1986. All this has resulted in the increasing trend of use of medical diagnostic facilities and increasing the cost of health care for the consumer. A micro study in Trivandrum city found that the known number of ultra-sonographs in the city alone was about 37, of which only 6 were in the public sector.<sup>45</sup>

### Attitude Towards Women's Health

Social discrimination against women results into systematic neglect of women's health, from womb to tomb. Female infanticide and female foeticide are widely practiced in BIMARU (Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh) and DEMARU (Punjab, Haryana, Himachal Pradesh and Gujarat) states.<sup>46</sup> The overall sex ratio is favourable to women in Kerala. But, in Kerala also, in the 0-6 age group, the sex ratio was 963, as per 2001 census. Total 0-6 age-group population of Kerala was 36.5 lakhs. Out of this 18.6 lakhs were male babies and infants and 17.9 lakhs were female babies and infants. Thus, 79760 female babies and infants were missing in 2001 in Kerala. This masculinisation of sex ratio is as a result of selective abortion of female foetuses after the use of ultra-sound techniques to determine sex of the foetus.<sup>47</sup>

**Table-4 Sex Ratio of different States of India**

<u>State</u>	<u>Overall Sex Ratio</u>	<u>Child Sex Ratio (0-6 yrs)</u>
India	933	927
Andaman & Nicobar Islands	846	965
Andhra Pradesh	978	964
Arunachal Pradesh	901	961
Assam	932	964
Bihar	921	938
Chandigarh	773	845
Chhatisgarh	990	975
Dadra & Nagar Haveli	811	973
Daman & Diu	709	925
Delhi	821	865
Goa	960	933
Gujarat	921	878
Haryana	861	820
Himachal Pradesh	970	897
Jammu & Kashmir	900	927
Jharkhand	941	966
Karnataka	964	949
Kerala	1058	963
Lakshadweep	947	974
Madya Pradesh	920	929
Maharashtra	922	917
Manipur	978	961
Meghalaya	975	975
Mizoram	938	971
Nagaland	909	975
Orissa	972	950
Pondicherry	1001	958
Punjab	857	793
Rajasthan	922	909
Sikkim	875	986
Tamil Nadu	986	939
Tripura	950	975
Uttarpradesh	898	916
Uttaranchal	964	906
West Bengal	934	963

Source: Census of India, 2001.

In a micro-study of Kolkata, the Census Report observes, " Out of 141 municipal wards, the percentage of child population has declined in 134 wards since 1991. More importantly, the child sex ratio has declined sharply, from a high of 1011 females per 1000 male children in 1951 to abysmal 923 in 2001. This is the lowest child sex ratio for Kolkata in the last 50 years. A major cause for the decline is 'sex selective foeticide'".<sup>48</sup> Rates of female foeticide have increased along with the increase in female literacy rates.<sup>49</sup>

In Andhra Pradesh, Chattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Karnataka, Kerala, Maharashtra, Manipur, Orissa, Pondicherry, Punjab, Rajasthan, Tamil Nadu, Uttaranchal and West Bengal; the juvenile sex ratio is lower than the overall sex ratio of the respective states. A community- based study conducted by a doctor couple revealed that 16.8 % of abortions were after detection that foetus female.<sup>50</sup>

As a result of sex-determination and sex-pre-selection tests leading to selective abortions of female fetuses, sex ratio of the child population has declined to 927 girls for 1000 boys. Sixty lakh female infants and girls are "missing" due to abuse of amniocentesis, chorion villi Biopsy, sonography, ultrasound and imaging techniques. Sex pre-selection techniques prevent arrival of female baby at a pre-conception state. Even anti-abortionists use this method to get baby boys, as it does not involve "Blood-bath".

CEHAT study<sup>51</sup> showed that 64% of providers of NRTs revealed that they were against sex selective abortions, 10 % of them stated that they too were against it but they had to do it, while 24% of them approved of sex selective abortions of female fetuses. Among them, gender -based responses were quite interesting. 28% of total male and 17% of total female providers supported sex selective abortions, 68% of total female and 61 % of total male providers were against it. Those who opposed it, also said that "It should be banned", "It is inhuman & Criminal", "It is against medical ethics and human rights" and "It amounts to discrimination against women".

**Table-5: Population in the age group 0 to 6 years in 2001, India**

infants and children – all	15.8 crores
male infants and children	8.2 crores
female infants and children	7.6 crores
deficit of female infants and girls	60 lakhs
sex ratio of child population	927

Source: Census of India, 2001.

Sex ratio (number of women per 1000 men) of Greater Bombay has reduced from 791 in 1991 to 774 in 2001 in spite of rise in its literacy rate. Doctors are using code language so that they can not be booked by police. They don't give anything in writing and nor do they maintain any records to avoid medico-legal complications later. Economic globalisation has made import of portable ultrasound machines and sonographic machines very easy. Bombay branch of Indian Medical Association has circulated posters for awareness generation to stop sex selective abortions of female foetuses.

**Table-6 Population of Greater Bombay - 2001**

year	1991	2001
Population	99 lakhs	1 crore 19 lakhs
sex - ratio	791	774
literacy rate	84	87

Source: Census of India, 2001

To stop female infanticide, the Tamil Nadu government introduced 'Cradle Baby Scheme' urging parents to leave their unwanted baby girls at cradles provided in hospitals, primary health centres and orphanages and encouraging them to take them back if they changed their minds.<sup>52</sup> The cradle baby scheme was introduced in Tamil Nadu in 2000.<sup>53</sup> Between July 2000 and March 2002, Eighty two (82) babies were dumped in the cradles. The number rose to 140 between 1992-1996. In addition to these babies received at Salem Reception Centre, 19 babies abandoned at railway stations and dustbins in other districts were rescued by the state. The babies are raised by shelter homes and orphanages run by NGOs. The government has also resolved to set up 188 extra reception cradles in 6 other districts.<sup>54</sup>

Negative attitude towards women's health is the major reason for high levels of perinatal mortality and morbidity including low birth weight babies.<sup>55</sup> Girl child is discriminated against, even when it comes to breast feeding, supplementary nutrition and care giving.<sup>56</sup>

### Violence and Health Issues of Women Over the Life Cycle

As unborn children, they face covert violence in terms of sex-selection and overt violence in terms of female foeticide after the use of amniocentesis, chorion villai

biopsy, sonography, ultrasound and imaging techniques.<sup>57</sup> IVF (In Vitro Fertilization) clinics for assisted reproduction are approached by infertile couples to produce sons. Doctors are advertising aggressively, "Invest Rs. 500 now, save Rs.50000 later" i.e. "If you get rid of your daughter now, you will not have to spend money on dowry". As girls under 5 years of age, women in India face neglect in terms of medical care and education, sexual abuse and physical violence. As adolescent and adult women in the reproductive age group, they face early marriage, early pregnancy, sexual violence, domestic violence, dowry harassment, torture in case of infertility; if they fail to produce son, then face desertion/ witch hunt. The end result is a high maternal mortality. Causes of maternal deaths in our country are haemorrhage, abortion, infection, obstructed labour, eclampsia (blood pressure during pregnancy), sepsis, and anaemia. Proliferation of NRTs should be analysed in this context.

### Important Research Studies on Missing girls

*Human Development Report in South Asia 2000: The Gender Question* recorded 3178 cases of female infanticide in six districts of Tamilnadu in 1995. In Mumbai only, in 1984, 84% of gynaecologists admitted that they were performing amniocentesis and there were 40000 known cases of female foeticide. Supporters of sex-selection tests for selective elimination of girls/female foetuses, apply law of demand i.e., "reduction in the supply of girls will enhance their status." but historical evidences don't support this argument. There had been a continuous decline in the sex ratio since 1901 to 1971, from 972 women per 1000 men to 930 women per 1000 men respectively. In 1981 the sex ratio was 933 women per 1000 men, slight increase but in 1991 it became the lowest in the history of the Census, 929 women per 1000 men. In 2001, the sex ratio for the total population is again 933 women per 1000 men. Haryana had the most depressive scenario as a result of misuse of these tests. The current sex ratio in Haryana is 861 men for thousand women, the lowest among the major states in India. The current slogan is "Sons are rising and daughters are setting." The techno-docs owning cars pay home visit to pregnant women's home for extraction of amniotic fluid and deliver the results in the next visit. As per the UNFPA study female foeticide has been the main cause of widening sex ratio in Haryana. According to *The Hindu*, 19-10-2001."In the last six years, number of sex-selective abortions has increased from 62000 to 69000 in Haryana and from 51000 to 57000 in Punjab. This reckless scale has pushed the fertility rate down from 3.2 to 2.9 in Haryana and from 2.9 to 2.2 in Punjab. "Reduction of birth rate, at what cost?"

A study was conducted in 9 provinces viz. Andhra Pradesh, Bihar, Gujarat, Haryana, Madhya Pradesh, Punjab, Rajasthan, Tamil Nadu and Uttar Pradesh, which were known for high rates of abortion. This study revealed that the impact of sex-selective abortion is seen in terms of widening gender gap among (0-6) age group, in Punjab and Haryana, two of the most economically prosperous states.

**Table 7 Sex Ratio among the States with Widespread Use of Sex Determination Tests (O-6 year age group)**

States	1991	2001
Punjab	875	793
Haryana	879	820
Gujarat	928	878
Maharashtra	946	917

Source: Census of India, 2001.

Another argument that prenatal diagnostic tests give women a choice to select a child of desired sex is also unacceptable as women's "Choices" are made within the patriarchal compulsions to produce sons. Women are not taking decision autonomously. Threat of desertion, divorce and ill treatment force them to opt for sex-determination and sex-pre-selection tests.

Between 1975 and 2003, there has been gross violation of The Medical Termination of Pregnancy Act (1972) and Prenatal Diagnostic Techniques Regulation and Prevention of Misuse Act (1994). Amniocentesis, chorion villai biopsy and pre-conception sex-selection tests were provided by the technodocs on the door-to-door service basis in some states. Private nursing homes and laboratories in several towns and cities in Maharashtra, Punjab, Gujarat, Uttar Pradesh, Tamilnadu have provided these tests by charging extremely high fees and without maintaining records so that they can't be caught. Those who perform the SD and SP tests are different from those who perform abortion so that the link cannot be established.

#### **New Reproductive Technologies (NRTs) and Women**

NRTs perform 4 types of functions. In Vitro Fertilisation (IVF) and subsequent embryo transfer, GIFT (Gamete Intra Fallopian Transfer), ZIFT and cloning assist reproduction.<sup>58</sup> In Mumbai girls are selling their eggs for Rs. 20000. Infertility clinics in Mumbai receive 4-5 calls per day from young women who want to donate their eggs.<sup>59</sup>

Contraceptive Technologies prevent conception and birth. Amniocentesis, chorion villai Biopsy, niddling, ultrasound and imaging are used for prenatal diagnosis.<sup>60</sup> Foetal cells are collected by the technique of amniocentesis and CVB. Gene technologies play crucial role through genetic manipulation of animal and plant kingdoms.<sup>61</sup> Genomics is "the science of improving the human population through controlled

breeding, encompasses the elimination of disease, disorder, or undesirable traits, on the one hand, and genetic enhancement on the other. It is pursued by nations through state policies and programmes".<sup>62</sup>

It is important to examine scientific, social, juridical, ethical, economic and health consequences of the NRTs. NRTs have made women's bodies site for scientific experimentations.

New Reproductive Technologies in the neo-colonial context of the third world economies and the unequal division of labour between the first and the third world economies have created a bizarre scenario and cut throat competition among body chasers, clone chasers, intellect chasers and supporters of femicide. There are mainly three aspects to NRT-assisted reproduction, genetic or pre-natal diagnosis and prevention of conception and birth. It is important to understand the interaction among NRT developers, providers, users, non-users, potential users, policy makers, and representatives of international organisations.<sup>63</sup>

#### **Assisted Reproduction**

The focus of assisted reproduction experts is on the healthy women who are forced to menstruate at any age backed by hazardous hormones and steroids. The processual dimensions involve- use of counsellors, technodocs and researchers to know the details of personal life of women to delegitimise victim's experience. Utter disregard for woman's pain, carcinogenic and mutogenic implications, vaginal warts, extreme back pain, arthritis, sclerosis, heavy bleeding, growth of hair on face, nose, chin, cheeks, joint pain associated with uterine contractions for production of egg-cells are dismissed as Mood-Swings. Network between stake groups has only one goal-impregnating women for embryo production which in the technodocs' language is *assisted reproduction*. Embryos and fetuses are used for cure of Parkinson's disease among influential and wealthy aging patriarchs. Side-effects on women's health are totally ignored. Growth of moustache, deformation of teeth and dietary requirements are totally ignored.

#### **Political Economy of Assisted Reproduction**

By using phallogocentric and misogynist psychologists, psychiatrists, state and the politicians (ever ready for plastic smile and neat presentation) have found a ruthless weapon to cretinise, dehumanise, degrade, humiliate, terrorise, intimidate, and cabbagify women. Through advertisement in newspapers, poor/needly women are asked to lend their womb for IVF on payment of money. Through websites rich clients are sought.

### Selective Elimination of Female Foetuses and Selection of Male at a Preconception Stage

Rapid advances in the field of new reproductive technologies has "created a situation where there has been a breakdown of the moral consensus"<sup>64</sup> with respect to medical ethics and gender justice. Techno-docs refuse to see larger contexts, future implications and gender implications.

Sharp remark of the Member Secretary of Maharashtra State Commission for Women represents the concerns of women's rights organisations in these words, "The attempt at legitimising the vetoing of female life even before it appears, is worse than the earlier abortion related violence in the womb, precisely because it is so sanitised and relies on seemingly sane arguments against the policing of 'human rights' in a democracy in the intensely personal matter of procreation. This needs to be resisted at all cost."<sup>65</sup>

Diametrically opposite views come from Dr. Anniruddha Malpani, the most articulate proponent of sex-preselection tests. When asked, "Is it ethical to selectively discard female embryos?" he said, "Where does the question of ethics come in here? Who are we hurting? Unborn girls?"<sup>66</sup>

My questions are: Can we allow Indian women to become an endangered species? Shall we be bothered only about endangered wild life- tigers, Lions, so on & so forth? Massive resources are invested in OPERATION TIGER. When shall we start OPERATION GIRL CHILD?

### Population Control Policies

There is a serious need to examine Population policies and Global funding from the perspective of statisation of Medical Market and marketisation of the nation states in the context of newly emerging culture of daily changes of sponsors. Financial economists have reigned supreme to generate moment-to-moment existence among population so that they can get an unending supply of cannon fodder for the NRT experimentation. Budgetary provision on health has a hidden agenda of NRT. The victims are not given scientific details and by labelling them as parasites and beneficiaries, their consent is not sought. It has burdened women with backbreaking miseries. The nation states have been coached to implement the use of NRT in Secrecy -in line with the programmes executed by G8 in Thailand, Indonesia, Philippines and Bangladesh. To achieve population stabilisation, 2.1% growth rate of population and NRR -net reproduction rate of 1 (i.e. mother should be replaced by 1 daughter only) are envisaged. These have inherent sexist bias because it desires birth of 1 daughter and 1.1 sons. Those who support sex-determination (SD) and sex-preselection (SP) view

these tests as helpful to achieve NRR1. Recent study of Haryana revealed that out of 160 mothers and grand mothers interviewed by AIIMS study team, 40 % supported SD on the ground that it contributed to population control and prevented families from having series of females in an attempt that a male was born.<sup>67</sup>

This will further widen the gap between number of girls and number of boys in the country. As it is 100 million women have been missing due to femicide (female infanticide, ill treatment and discrimination leading to higher mortality rate among women/girls in the first three quarters of 19<sup>th</sup> century and in the last quarter of 19<sup>th</sup> century due to misuse of SD and SP) over a period of 1901 to 2001.

### Gendered Power-relations and NRT

Search for "perfect" baby through genetic screening, ante natal sex determination tests, pre-implantation diagnosis, commercialisation of sperm and /or egg donation, commercialisation of motherhood and hormonal contraceptives raise many socio-legal and ethical questions.

Division of labour among women to control women's sexuality, fertility and labour by utilising homophobia and pitting women of different race, religions, age and looks to suit the interest of NRT will serve the interest of patriarchy, medical mafia, pharmaceutical industries, scientists, technodocs at the cost of vulnerable human beings as raw material. If the NGOs don't want to get criminalised, they must dissociate from NRTs and divert the funding for public health, library, education, skill building, employment generation as a long-term investment and channelise their energies towards formation of self-help groups.

It is important to understand that reproduction has an individual and a social dimension. While examining birth control practices, an individual is a unit of analysis. While examining the population control policies we have to analyse pros & cons of NRTs, national governments, population control organisations, multinational pharmaceutical industries, public and private funded bodies, medical researchers and health workers who shape women's "choices"- women's autonomy or control at micro and macro levels. Thus choices are not made in vacuum. NRT as a choice for some women (educated career women) can become coercion for others (powerless and less articulate women). Hence it is important to be vigilant about power relations determined by race, age, class and gender while examining implications of NRT on different stake groups.

Informed consent and medical malpractice-Power relations in the medical market favour the technodocs and the clients are not given full details of the line of treatment

and its consequences. . . Respect for diversity, adoption of child/children is a far simpler and more humane solution than subjecting women to undergo infertility treatment. Obsession about creation of designer baby boys has made development agenda subsidiary.

### Initiatives by the State and NGOs:

Prenatal Diagnostic Techniques (Regulation and Prevention of Misuse) Act was enacted in 1994 by the Centre followed by similar Acts by several state governments and union territories of India during 1988 (after Maharashtra legislation to regulate prenatal sex determination tests), as a result of pressure created by Forum Against Sex-determination and Sex –preselection. But there was a gross violation of this central legislation.

In response to the public interest petition filed by Dr. Sabu George, Centre for Inquiry into Health and Allied Themes Mumbai) and MASUM fought on their behalf by the Lawyers Collective (Delhi)<sup>68</sup>; the Supreme Court of India gave a directive on 4-5-2001 to all state governments to make an effective and prompt implementation of the Pre-natal Diagnostics Techniques (Regulation and Prevention of Misuse) Act (enacted in 1994 and brought into operation from 1-1-1996). Now, it stands renamed as “ The Pre-conception and Pre-natal Diagnostic Techniques (Prohibition of Sex Selection) Act”.

Recently enacted Prenatal Diagnostic Techniques (Prohibition of Sex Selection) Act, 2003 tightens the screws on sex selection at pre-conception stage and puts in place a string of checks and balance to ensure that the act is effective.<sup>69</sup> The Pre-natal Diagnostics Techniques (Regulation and Prevention of Misuse) Amendment Act, 2002 received the assent of the President of India on 17-1-2003. The Act provides “for the prohibition of sex selection, before or after conception, and for regulation of prenatal diagnostic techniques for the purposes of detecting genetic abnormalities or metabolic disorders or sex-linked disorders and for the prevention of their misuse for sex determination leading to female foeticide and for matters connected therewith or incidental thereto”.

Under the Act, the person who seeks help for sex selection can face, at first conviction, imprisonment for a 3-year period and be required to pay a fine of Rs. 50000. The state Medical Council can suspend the registration of the doctor involved in such malpractice and, at the stage of conviction, can remove his/her name from the register of the council.

The Pre-Natal Diagnostic Techniques (Regulation and Prevention of Misuse) Amendment Rules, 2003 have activated the implementation machinery to curb nefarious

practices contributing for MISSING GIRLS. According to the rules this all bodies under PNDT Act namely Genetic Counselling Centre, Genetic Laboratories or Genetic Clinic cannot function unless registered.<sup>70</sup> The Bombay Municipal Corporation has initiated a drive against the unauthorised determination of gender of the foetus as per the directive of the Ministry of Law and Justice. All sonography centres are required to register themselves with the appropriate authority- the medical officer of the particular ward. The registration certificate and the message that under no circumstances, sex of foetus will be disclosed, are mandatory to be displayed.<sup>71</sup>

The shortcomings of the PNDT Act (2003) lie in criteria set for establishing a genetic counselling centre, genetic laboratory and genetic clinic/ultrasound clinic/imaging centre and person qualified to perform the tests.

- The terms genetic clinic/ultrasound clinic/imaging centre can't be used interchangeably. But the Act does.
- Moreover, The amended Act should have categorically defined persons, laboratories, hospitals, institutions involved in pre-conception sex-selective techniques such as artificial reproductive techniques and pre-implantation genetic diagnosis.
- Who is a qualified medical geneticist? As per the Act, “ a person who possesses a degree or diploma or certificate in medical genetics in the field of PNDT or has minimum 2 years experience after obtaining any medical qualification under the MCI Act 1956 or a P.G. in biological sciences”. Many medical experts feel that a degree or diploma or 2 years experience in medical genetics can't be made synonymous.<sup>72</sup>
- As per the Act, an ultrasound machine falls under the requirement of genetic clinic, while it is widely used also by the hospitals and nursing homes not conducting Pre-implantation Genetic Diagnosis (PGD) and PNDT.

### Ban on the Advertisements of SD & SP Techniques

Another important initiative that has been taken is against any institution or agency whose advertisement or displayed promotional poster or television serial is suggestive of any inviting gestures involving/supporting sex determination. MASUM, Pune made a complaint to the Maharashtra State Women's Commission against Balaji Telefilms because its top rated television serial's episode telecast during February 2002 showed a young couple checking the sex of their unborn baby. The Commission approached Bombay Municipal Corporation (BMC) and a First Investigation Report (FIR) was lodged at the police station. After an uproar created by the Commission, the Balaji tele-film came forward to salvage the damage by preparing an ad based on the Commission's script that conveyed that sex determination tests for selective abortion of female foetus is a criminal offence. Now there is another battle

brewing. The women's groups insist that the ad should be telecast for 3 months before each episode, while the Balaji Tele-films found it too much.<sup>73</sup>

### Conclusion:

We need to counter those who believe that it is better to kill a female foetus than to give birth to an unwanted female child. Their logic eliminates the victim of male chauvinism, does not empower her. The techno-docs don't challenge anti-women practices such as dowry, instead display an advertisement, "Better Rs.5000 now than Rs.5 lakhs later" i.e. Better spend Rs.5000 for female foeticide than Rs. 5 lakhs as dowry for a grown up daughter. By this logic, it is better to kill poor people or third world masses rather than let them suffer in poverty and deprivation. This logic also presumes that social evils like dowry are God-given and that we cannot do anything about them. Hence victimise the victim. Investing in daughter's education, health and dignified life to make her self dependent are far more humane and realistic ways than brutalising pregnant mother and her would be daughter. Recently series of incidents in which educated women have got their grooms arrested at the time of wedding ceremony for demand and harassment for dowry, is a very encouraging step in the direction of empowerment of girls. Massive and supportive media publicity has empowered young women from different parts of the country to cancel marriages involving dowry harassment. They have provided new role models.

Hence, our slogans are

**"Eliminate Inequality, not Women", "Destroy Dowry, not Daughters",**

**Say "No" to Sex-determination, Say "Yes" to Empowerment of Women,**

**Say "No" to Sex Discrimination, Say "Yes" to Gender Justice.**

Philosophical and medical details of NRT need public debate without iron wall of secrecy, in all Indian languages as NRT is penetrating even in those areas where you don't get even safe drinking water or food. Technologies for population control are primarily concerned about efficiency of techniques to avert births rather than safety of women. Women have to put up with the side effects of NRTs. New reproductive technologies are provider/doctor controlled, not women controlled. Hence the women's groups repeatedly state that NRTs have inherently anti women bias. In the petition filed by CEHAT-MASUM in the Supreme Court of India and supported by the women's rights groups, Dr. Sabu George, the petitioner's demand of expansion of the scope of the Pre Natal Diagnostic Techniques Act to include sex pre-selection techniques and effective implementation of the PNDT ACT<sup>74</sup> has not only been accepted but also rules have been formulated for its implementation. The state govern-

ments are also organising state level seminars for doctors from the government and private sectors to focus on raising awareness to the fact of sex selective foeticide as a discriminatory practice. They are also trying to deal with the issue from the point of view of responsibility of science towards gender justice, medical ethics and human rights. Recent publication of CEHAT "Sex Selection- Issues and Concerns" selected important writings of spokespersons, who have examined the problem of "missing girls" from these angles.

There is a need to clarify the gender-just position from the anti-abortionist position. "Women should have a right to their bodies and unconditional access to abortion is not in conflict with the claim that sex selection and sex selective abortions are unethical. It is not the abortion which makes the act unethical, but the idea of sex selection."<sup>75</sup>

We have a great task in front of us i.e. to change the mindset of doctors and clients, to create a socio-cultural milieu that is conducive for girl child's survival and monitor the activities of commercial minded techno-docs thriving on sexist prejudices. Then only we will be able to halt the process of declining sex ratio resulting into the phenomenon of missing girls. To stop a gender imbalanced society we will have to convince doctors and clients, state and civil society that **"Daughters are not for slaughter"**.

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## Growth and Instability Analysis of India's Manufactured Exports

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*Growth and instability of exports in general and manufactured exports in particular, has been recurrent theme in Literature on international trade over the past few decades. In recent years the issue has gained increased importance in the context of trade liberalization in the quest for accelerated economic development. During the past four decades, stimulated by seminal work by Coppock (1962) and later by Glezakos (1973) and Lim (1976) and 1991), a considerable amount of empirical investigation has been undertaken in this direction. An analysis of the growth, instability and its causes of manufacture exports of India have been undertaken in the present study. The focus of the study is to examine the pattern of growth and instability of manufactured exports during the period 1981-82 and 2002-03. A variance decomposition analysis is made for identifying the sources of change in pattern of instability in manufactured exports.*

*The major findings of the study are as follows: First, export earnings of the India manufactured have increased significantly since the initiation of trade liberalization. Second, export earnings instability is mainly due to volume instability rather than price instability; and finally export instability has shown a declining trend in all most all products except leather and leather manufactures and made-up articles of textile materials during 1990s over 1980.*

### 1. Introduction

Until early 1960's world trade in manufactured goods was dominated by the US and Western Europe. The emergence of Japan in 1960s as a leading industrial nation reflects a radical transformation of the Japanese economy over the post-war period. This has been achieved by the rapid export led growth, which increased Japan's share of world exports of manufactured goods from about 4 percent in 1960 to 11

percent in 1990. Japan is the third biggest exporter of manufactures after Germany and the US and dominates among growing number of world markets. The Asian newly industrializing countries (NICs) have replicated the Japanese export success and they have increased their exports of manufactures of twenty fold since 1973 and have almost tripled their share of world exports (Roarty, 1993).

The role of exports in economic growth assumes significance against the backdrop of success achieved by the East Asian economies. Several cross-country studies have revealed that openness to trade promotes growth. However, many developing countries including India pursued with the strategy of import substitution even as late as the 1990s, despite the evidence in support of export-led growth strategy. The assumption behind the import substitution strategy was export pessimism that exports from developing countries would not grow, and even if they did, the terms of trade would go against their benefits. India began to open up for trade in a big way only after 1991, though she had begun giving emphasis to exports and liberalizing imports during 1980s (Nidugala, 1999).

The economic growth of a country depends on the performance of its different sectors. The performance of export sector, depending on its size, will have direct impact on the performance of the economy. Exports in India consisted mainly manufactured, agricultural and extractive goods. The composition of exports during 1981-82 to 2002-03 showed a gradual increase in the share of manufactured exports from 55.8 percent to 76.87 percent. The share of agricultural exports and allied products, which stood at 24.2 percent, reached 12.8 percent during the same period. Ores and minerals have been displaying a consistently declining trend with their share in total exports shrinking from 6.7 percent in 1980-81 to 3.8 percent. Similarly, the share of total exports of crude and petroleum products has also been declining since 1980-81 (Govt. of India, 2003-04).

India is relatively a small exporter of manufactures of regional strands. China dominates exports among developing countries, with value significantly larger (\$1,20,266) than that of the mature Tigers. Each new Tiger is now a larger exporter than India, though each was about equal or somewhat smaller in 1980s. India's performance appears respectable but not impressive (Lall, 1999).

In recent years there has been a revival of interest in the trade growth nexus. Proponents of export-led growth strategies have long argued that externality affect originating from export-oriented sectors increased productivity growth in the entire economy. Recently, endogenous growth trade theorist have provided a range of formal models in which trade contributes to economic growth by, among others, increasing the variety and quality of intermediate inputs, increasing the diffusion of

knowledge, amplifying the learning-by-doing effects and increasing the size of the markets (Feder, 1983).

The various benefits of export growth in developmental economies as analyzed by different scholars (Keesing & Lall, 1994 and Krueger, 1978) consist of; first, the openness of countries contributes to international communication concerning new ideas and methods of production which intensify competitive behavior and enhance efficiency; second, the ability of small countries to overcome market constraints and reap the advantage of increasing returns to scale; third, the loosening of foreign exchange constraints that normally impinge on development efforts (Chenery and Strout, 1966; Voivodas, 1974); and fourth, positive externalities which are destined to permeate the entire economic structure.

An empirical assessment of the linkage between export performance and economic growth is important. There are theoretical arguments that would imply that export growth causes economic growth and rapid economic development causes rapid export growth. A large number of researchers have empirically tested the causality between exports and growth, yet no consensus has been emerged. In addition to the concern over the impact of export growth on economic performance, there has been concern over the impact of export instability. The first major work to appear in this vein was by Coppock (1962), and there have been studies by MacBean (1966), Glazakos (1973), Knudsen and Parnes (1975) and Lim (1991).

Export instability is defined as short-term (year to year) fluctuations of export proceeds around the trend. Export instability, as a major problem besetting the Less Developing Countries (LDCs) in their development efforts, has been a recurrent theme in the literature on economic development and in international trade policy deliberations over the past four decades. Empirical identification of the causes of exports instability and of the channels through which it is transmitted to the domestic economies of the LDCs is needed in order to determine what remedial actions, if any should be taken in order to redress the problem. The results of these empirical efforts have been mixed, with some studies showing negative effect while others showed no effect or a positive effect.

Violent and sudden fluctuations in prices, quantum and total proceeds of exports have a serious adverse impact on the overall growth of LDCs. It is argued that LDCs face a higher degree of instability in export earnings, which in turn affect their efforts at economic development. But export instability is important for its effects on the level of living, on internal economic stability, on the rate of economic growth and on the distribution of income and wealth. It is also important for its effects on the internal and external policies of many countries.

Increased fluctuations in export proceeds seem to be arising out of two factors *i.e.* variations in prices and quantities. Variations in prices and quantities traded do not arise randomly but reflect underlying changes in demand and supply. Movements in the demand schedule will result (supply unchanged) in prices and quantity variations in the same direction. Shifts in supply schedule will result (demand unchanged) in price and quantity variations in the opposite direction.

Another aspect, which has been discussed by many researchers, is relationship with growth and instability. The question that arises from the above discussion is whether there is an element of positive or negative association between the instability and growth in exports. Although empirical evidence in support of both the hypothesis is available, yet there is no valid reason to expect a unique relationship between growth and fluctuations in the exports.

With this background, the present paper is the modest attempt to analyze the Indian experience of manufactured exports growth, instability, and source of instability. The paper is structured as follows. Section I is introduction. Data and Methodology is given in section II. Section III deals with Indian trade liberalization and export performance. The instability and source of instability have been analyzed in section IV. Conclusion and implications are provided in the final section.

## II. Data and Methodology

The present study is exclusively based on the secondary data collected from the various published sources. Indices of export prices, quantities and value (earnings) for principal exports and manufactured exports for the period 1981-82 to 2002-03 have been utilized. The period is further divided into two sub-periods Period I, (1981-82 to 1990-91) and Period II, (1991-92 to 2002-03) for examination of changes in growth and instability. The growth rate and instability indices of export earnings are calculated by using the following type of function:

$$Y_t = a (b_i)^t$$

$$\text{Log } Y_t = \text{Log } a + t \text{ Log } (b_i) + u_t$$

where

$Y_t$  = export value of *i*th item

*t* = time variable

$u_t$  = Disturbance term.

Annual compound growth rates (*r*) are computed as:

$$r = [\text{Anti log } (b_i) - 1] * 100.$$

OLS is then used to estimate the equation. Export instability index (IXEXP) is defined as the standard deviation of the observed deviations from the estimated expo-

ponential time trend.

The instability index (I) is defined as follows:

$$I = \frac{1}{\log \bar{x}} * \sqrt{\frac{\sum_{i=1}^n \log x^2_i - \frac{\left(\sum_{i=1}^n \log x_i\right)^2}{n} - \log \beta^2 \sum_{i=1}^n t_i^2}{n-2}} * 100$$

This instability index has two advantages. Firstly this is scale independent and can be used for cross comparisons. Secondly, it estimates the co-efficient of variation, corrected for exponential trend, which is used in policy decisions, on the term basis, as they are taken in terms of growth rates rather than in absolute increments.

Finally, the components of the variance of the logarithm of earnings around an exponential trend are examined in the case of manufactured exports to assess the relative importance of price and quantity fluctuations.

Given the identity:

$$\text{Export earnings} = \text{Price} * \text{Quantity}$$

$$E = P * Q$$

$$\text{Log } E = \text{Log } P + \text{Log } Q$$

And variance of Log E around a fitted constant growth rate trend line is given by the identity:

$$\text{Var}(\text{Log } E) = \text{Var}(\text{Log } P) + \text{Var}(\text{Log } Q) + 2 \text{Cov}(\text{Log } P, \text{Log } Q)$$

where the variance and covariance are around the trend lines. The terms on the right hand side are calculated from price and quantity indices. They are divided through by their sum and expressed as percentages:

$$CP = \frac{100 \text{Var}(\log P)}{[\text{Var}(\log P) + \text{Var}(\log Q) + 2 \text{Cov}(\log P, \log Q)]}$$

The term may be interpreted as the contribution of (trend corrected) variance of price to the (trend corrected) variance of earnings. This is taken as an indicator of the percentage contribution of price variability to earnings variability. CQ and 2CPQ can be interpreted in an analogous way. The covariance term, positive or negative, reflects the extent to which price and quantity movements are reinforcing or offsetting. The sign is an indicator of whether supply or demand variation has been the

dominant source of variability.

### III. Indian Trade Liberalization

India's prolonged inward-oriented, heavy industrialization strategy fostered a large and diverse industrial sector. Over the time, this sector accumulated impressive technological capabilities; but this system created various types of inefficiencies and slowed down the rate of growth of the economy (Lall, 1987). This model suffered a crisis in the early 1980s, reflected economically in falling production and eroding its position as the leading exporters of manufacturers in the developing world four decades ago, to 11<sup>th</sup> today. By 1980s, Indian policy makers had accepted the need to liberalize the economy. The process however was reluctant, intermittent and patchy. It is only in 1992, after a severe macro economic crisis that a serious attempt was made to free-up the trade, as domestic competition and technology inflows attracted foreign investment (Joshi and Little, 1996).

Exports were encouraged more actively, quantitative restrictions on imports were relaxed (though not removed, particularly on consumer goods), and tariffs (particularly on industrial inputs and capital goods) lowered. The government eased domestic licensing, and gave larger private firms greater freedom to grow. It also launched a somewhat reluctant privatization process. The trade regime is now more outward looking, new foreign equipment and technologies are more accessible, and there is a significant rise in inward foreign direct investment (FDI).

The government did away with licensing on virtually all capital and intermediate goods. Custom duties were cut drastically. Tariffs on capital goods and intermediate goods were significantly brought down to 25 percent and 40 percent respectively. Further for the benefit of exporters, a number of changes were made in the schemes, advance licenses, export promotion for capital goods (EPCG), duty drawback, 100 percent export-oriented units (EOUs) and export processing zones (EPZs), meant for facilitating imports for export promotion.

#### III a. India's Export Performance, General Trends

Trade policy reforms since mid 1980s have led to the promotion of trade (Exports + imports) in GNP at factor cost at current prices going up steadily from 14.08 percent in 1981-82 to 24.77 percent in 2002-03. Indian economy, therefore, is more deeply integrated with the world economy today than it was in early 1990s as a result of high rates of growth of both exports and imports in the first half of the 1990s. The average annual growth rate of about 20 percent per annum that Indian exports witnessed during the last two decades has received a lot of attention in the literature.

Most of the analyses have attributed it to the growth of world trade and sharp depreciation of the exchange rate following reforms (Marjit and Roy Chaudhuri, 1997 & Srinivasan, 1998). The robust export growth in last decade has narrowed down the trade deficit from 2.08 percent of GDP on average during the 1990-91 to 1.43 percent at present.

Table 1 shows the growth rate of India's principal exports, food and food articles, beverages and tobacco, crude materials, minerals fuels and lubricants, animal and vegetable oil, chemicals and related products, manufactured goods, machinery and transport equipment, miscellaneous manufactured articles and total exports during (1981-82 to 2002-03). The annual average growth rates of total exports was 16.30 percent per annum during 1991-92 to 2002-03 which was 0.38 percentage points lower than that of the Period I. The growth rate of manufactured exports in the two sub-periods reveals that the growth rate was lower in the later sub-period (15.98 percent) compared with that in the former (20.81 percent). In contrast the food and food articles, beverages and tobacco, minerals fuels and lubricants, animal and vegetable oil have shown an increase in the growth rates whereas crude materials, chemical and related products, machinery and transport equipment, miscellaneous manufactured articles and total exports have shown a decline in the growth rates during the same period. The liberalization processes have shown a mixed trend on the growth of exports. The main indicator of reforms success in the Indian economy has been the growth of its foreign trade. Between 1981-82 and 2002-03, the ratio of trade (exports + imports) to GDP at factor cost at constant prices rose from 18.71 to 24.55 percent. The most dramatic increase was in manufactured exports, while total exports increased by about six times from US \$8486 million, to \$52719 million during 1980-81 to 2002-03, manufactured exports rose by about nine fold from \$4738 million to \$41070 million. In the main these manufactured exports are labour intensive and in line with India's comparative advantage.

### III b. Structure and Growth of Indian Exports

India exports a wide range of commodities. However, only 10 of the 30 product categories contributed as much as about 80 percent or more to total exports. Further more, top five product categories alone contributed 68.23 percent in 2002-03. The five major export items in 2002-03 include, textile fabrics and manufactures, handicrafts including gems and jewellery, chemicals and allied products, leather and leather manufactures and machinery, transport and metal manufactures (Government of India, 2003-04).

The distribution of exports from India to five member nations has been uneven. For instance, India's exports share to OECD has increased from 46.58 percent to 52.04

percent during the last two decades. The share of India's exports to OPEC has increased from 11.1 percent to 13.1 percent and Eastern Europe has shown a declining trend, whereas India's exports share to other LDCs has increased in the same period. The recent slow down of Indian exports is thus a part of larger (exogenous) pattern, not of a reflection of the exhaustion of the benefits of liberalization. The decline in the growth of world trade since 1996 is one such factor. The East Asian currency crisis has also put a strain on India's exports not only by shrinking demand in the affected countries but also by adversely affecting international competitiveness.

**Table 1: Annual Growth Rates of India's Principal Exports.**

Sl. No.	Commodities/ Group	1981-82 to 1990-91 (Period-I) Growth rate	1991-92 to 2002-03 (Period-II) Growth rate	1981-82 to 2002-03 (Period-III) Growth rate
1.	Food and Food Articles	10.11	12.97	16.17
2.	Beverages and Tobacco	-1.90	10.89	10.81
3.	Crude Materials, Inedible, except Fuels-	15.67	10.91	13.81
4.	Minerals Fuels, Lubricants etc.	0.09	17.76	9.95
5.	Animal and Vegetable oil, Fats & Waxes-	6.13	16.22	23.99
6.	Chemicals and Related Products	25.31	21.05	26.76
7.	Manufactured Goods	20.81	15.98	21.05
8.	Machinery and Transport Equipment-	18.51	17.76	21.33
9.	Miscellaneous Manu- factured Articles	23.72	16.41	23.53
10.	Total Exports	16.68	16.30	19.86

Source: Data compiled from *Handbook of Statistics on Indian Economy* by Reserve Bank of India, Various Issues.

Table 2: Annual Growth rates of India's Manufactured Exports.

Sl. No.	Commodities	1981-82 to 1990-91		1991-92 to 2002-03		1981-82 to 2002-03	
		Period I		Period II		The Whole Period	
		Growth rate	Rank	Growth rate	Rank	Growth rate	Rank
1.	Leather and Leather Manufactured excluding Footwear	18.38	6	9.29	2	12.09	1
2.	Textile Yarn	37.74	10	18.74	8	33.34	10
3.	Cotton Fabrics Woven	15.85	4	10.91	3	17.21	3
4.	Textile Fabrics other than cotton	15.24	3	15.61	5	19.39	5
5.	Made-up Articles of Textile Materials	11.01	1	11.17	1	17.59	4
6.	Floor Coverings	17.67	5	7.15	1	15.82	2
7.	Non-Metallic Mineral Manufactures	25.04	7	16.41	6	21.53	7
8.	Iron & Steel	28.84	8	20.50	10	33.29	9
9.	Non-Ferrous Metals	30.29	9	19.12	9	29.71	8
10.	Manufactures of Metals	12.57	2	18.57	7	21.74	6

Source: Same as in Table 1.

Table 3: Direction of Trade Exports.

(percentage share)

Sl. No.	Group	1980-81	1990-91	2002-03
1.	OECD	46.6	53.5	50.0
2.	OPEC	11.1	5.6	13.1
3.	Eastern Europe	22.1	17.9	1.8
4.	Other LDCs	19.2	16.6	30.8
5.	Others	1.0	6.2	4.2
Total		100.0	100.0	100.0

Source: *Handbook of Statistics on Indian Economy* by Reserve Bank Of India, Various Issues.

#### IV. Export Instability

Export instability is defined as short-term fluctuations in export earnings corrected for trend. Violent and sudden fluctuations in prices, quantum and total proceeds of exports have a serious adverse impact on the overall growth of Less Developed Countries (LDCs). It is argued in general that LDCs face a higher degree of instability in export earnings, which in turn, affects their efforts at economic development. But export instability is important because of its effects on the levels of living, on internal economic stability, on the rate of economic growth and on the distribution of income and wealth. It is also important because of its effects on the internal and external policies of many countries.

The Indian exports in general and agricultural exports in particular are increasingly beset with instability (Goyal, Pandey and Singh, 2000). Two major problems associated with agricultural products/markets are instability of price of product and levels of price itself. The instability of prices arises from the interaction of potentially variable supply, particularly in soft commodities, with a relative inelastic demand. As can be seen in case of manufactured exports from Table 2 and Table 4, the textile yarn registered highest growth (33.34 percent) with instability (3.50) during 1981-82 to 2002-03. Almost similar pattern was followed by iron & steel, non-ferrous metals, non-metallic minerals, manufacturers of metals, textile fibers other than cotton and made-up articles of textile materials. The export earnings from leather and leather manufactured, cotton fabrics woven, textile fabrics other than cotton, floor coverings, and non-metallic minerals manufacture and manufactures of metals showed fairly decent growth with low instability. Instability indices have declined in almost

**Table 4: Instability Indices of Export Earnings of Principal Exports.**

Sl. No.	Group	1981-82 to 1990-91	1991-92 to 2002-03	1981-82 to 2002-03
1.	Food and Food Articles	0.70	1.49	1.84
2.	Beverages and Tobacco	2.60	2.38	3.45
3.	Crude Materials, inedible, except Fuels	1.67	1.39	1.59
4.	Mineral Fuels, Lubricants, etc.	5.23	7.00	6.34
5.	Animal and Vegetable Oil, Fats and Waxes	6.60	3.19	5.68
6.	Chemicals and Related Products	3.03	0.76	2.13
7.	Manufactured Goods	1.35	0.80	1.50
8.	Machinery and Transport Equipment	2.15	0.93	1.71
9.	Miscellaneous Manufactured Articles	1.48	0.8	1.82
10.	Total Exports	1.35	0.70	1.37

Source: Same as in Table 1.

all the manufactured exports barring leather and leather manufactures excluding foot wears and made-up articles of textile materials during 1990s over 1980s. The maximum decline was registered in the case of iron and steel instability (4.22 percent points) followed by non-ferrous metals and manufacture of metal.

The variability in exports is the compound result of fluctuations in export demand, variations in domestic production and varying international prices of these products. Commodities with fairly decent growth and low instability are naturally the star performers of the future and they include textile fibres other than cotton, non-metallic mineral manufactures and manufactures of metals during the 1990s.

**Table 5: Instability Indices of Export Earnings of Manufactured Goods.**

Sl. No.	Commodities	1981-82 to 1990-91	1991-92 to 2002-03	1981-82 to 2002-03
1.	Leather and Leather Manufactures excluding	0.75	0.85	1.44
2.	Textile Yarn	2.94	1.96	3.50
3.	Cotton Fabrics Woven	1.21	1.07	1.87
4.	Textile Fibres other than cotton	1.98	0.70	1.73
5.	Made-up Articles of Textile Materials	2.42	5.72	4.98
6.	Floor Coverings	1.20	0.72	2.17
7.	Non-Metallic Mineral Manufactures n.e.s.	1.50	1.01	1.62
8.	Iron and Steel	6.18	1.96	4.68
9.	Non-Ferrous Metals	6.19	2.52	4.61
10.	Manufacture of Metals	3.62	0.78	2.73

Source: Same as in Table 1.

#### IV a. The Association of Earnings Instability with Price and Quantity Instability

It is of interest to see whether there is any tendency for relative levels of earnings instability to be related with relative levels of price or quantity instability. Table 6 shows rank correlation for various combinations of these variables. The results of manufacture exports suggest a stronger association of instability of export earnings with volume than with price. Again there appears to be a stronger relationship between earnings and volume instability than between price and volume instability. This suggests that the explanation of earnings instability is likely to be found in an examination of the source of quantity fluctuations.

**Table 6: Rank Correlation Coefficient between indices of Earnings, Price and Volume Instability of Manufactured Exports.**

Period	Manufactured Exports		
	Earnings/Price	Earnings/Volume	Price/Volume
1981-82 to 2002-03	- 0.10	0.57	0.21

Note: The analysis includes all of those Manufactured Exports for which data are available for the two items being correlated for at least 22 successive years in the given period.

Source: Same as in Table 1.

#### IV b. The Contribution of Price and Quantity to Earning Instability

The analysis above tends to observe the diversity of experience. For some exports quantum fluctuations have contributed more than price fluctuations to earning instability, while for other exports the reverse holds. Table 7 shows the contribution of price and quantity fluctuations to earnings fluctuations using the method outlined before. The exports of manufactured items shown are those for which the data for price and quantity indices are available for the period 1981-82 to 2002-03. In addition, a statistic is calculated and shown which, is the proportion of the smaller of the two (price or quantity) to the larger of two contributions.

In broad terms the results support the conclusion drawn from the rank correlation analysis presented before. In majority of the exports (7 out of the total of 10) *i.e.* textile yarn, textile fibres other than cotton, made-up articles of textiles material, non-metallic minerals manufactures, iron and steel, non-ferrous metals and manufactures of metals, the contribution of quantity instability to earning instability is greater than that of price instability. In the remaining (3 out of the total of 10) cases *i.e.* leather and leather manufactures, cotton fabrics woven, and floor coverings, price instability was the dominating factor. It is also of some interest that in 3 cases where price instability was dominating factor there were relatively low levels of earnings instability. This suggests that where price instability is the dominant factor, earning instability is unimportant.

#### IVc. The Importance of Supply Demand variations in Explaining Earnings Instability

Variation in prices and quantities traded do not arise randomly but reflect underlying changes in demand and supply. Movements in the demand schedule will result (supply unchanged) in price and quantity variations in the same direction. Shifts in the supply schedule will result (demand unchanged) in price and quantity variations in the opposite direction. If demand for the export commodity is totally elastic, movements in the demand schedule will still result in a similar direction of change for the variables, but shifts in the supply schedule will result only in quantity changes. With totally inelastic supply, supply changes result in opposite direction of variations for two variables, but demand changes results only in price changes. In brief, changes in

the same direction for price and quantity are caused by demand shifts. A change in one variable, the other remaining constant, may be associated with either demand or supply shifts.

The sign of the covariance term in Table 8 indicates whether above trend values of prices are associated with above or below trend values of quantities. The analysis of changes above applies equally to situations in which demand and supply are changing steadily over time. If demand tends to change in relatively unstable way, while supply changes steadily, it is expected that price and quantity to be both above, or both below, trends in any particular year which would tend to result in a positive covariance terms. If demand has the relatively stable growth path and supply is unstable growth variable, it is expected that above-trend values of price to be associ-

**Table 7: Components of the Variance of Earnings of Manufactured Exports. (1981-82 to 2002-03)**

Commodities	V (Log E) %	V (Log P) %	V (Log Q) %	2Cov Log P Log Q %	V Log P/V log Q	V Log Q/V log P
Leather and Leather Manufactures	0.004798	155.28	69.26	-124.55*	-	44.61
Textile Yarn	0.021934	17.24	70.34	12.41	24.50	-
Cotton Fabrics Woven	0.005121	349.72	281.73	-531.46*	* -	80.55
Textile Fibres other than cotton Made-up Articles of Textiles Material	0.007447	258.79	322.90	-481.70*	80.14	-
Floor Coverings	0.007591	62.81	54.02	-16.84	-	86.00
Non-Metallic Minerals Manufactures	0.00495	112.30	135.61	-147.91*	82.80	-
Iron and Steel	0.043807	12.21	75.72	12.06	16.12	-
Non-Ferrous Metals Manufactures	0.042804	29.83	131.56	-61.39*	22.67	-
Of Metals	0.017573	15.13	69.55	15.30	21.75	-

\*r is statistically significant at 5% level.

\*\* r is statistically significant at 10% level.

Source: Same as in Table 1.

**Table 8: Components of the Co-Variations of Earnings around trends in Sub periods of Manufactured Exports.**

Commodities	1981-82 to 1990-91 Period I	1981-82 to 1990-91 Period II	Sign. Change	Dominant Period I	Variable Period II
Leather and Leather Manu- factures	-17.31	-296.65*	No	Q	Q
Textile Yarn	-32.83	22.60	Yes	Q	P
Cotton Fabrics Woven	-112.56*	-505.46*	No	Q	Q
Textile Fibres other than cotton	-51.23	-4430.96*	No	Q	Q
Made-up Arti- cles of Textiles Material	-47.37	-499.83*	No	Q	Q
Floor Coverings	-34.22	-398.98*	No	Q	Q
Non-Metallic Minerals Manufactures	-54.56	-484.53*	No	Q	Q
Iron and Steel	29.68	-21.29	Yes	P	Q
Non-Ferrous Metals Manufactures of Metals	-34.28	-301.80*	No	Q	Q
	23.15	-287.57*	Yes	P	Q

\* r is statistically significant at 5% level.

\*\* r is statistically significant at 10% level.

ated with below-trend values of quantities and vice-versa resulting in a negative price/quantity covariance.

An examination of the covariance sign in the two periods also suggests a continuity of experience. In Period I, eight of the ten exports had negative covariance (leather and leather manufactures, textile yarn, cotton fabrics woven, textile fibres other than cotton, made up articles of textiles material, floor coverings, non-metallic minerals manufactures and non ferrous metals) term-indicating supply variations as the domi-

nant cause of instability. In Period II the number of negative covariances have changed to nine except textile yarn. In three of these exports (textile yarn, iron and steel and manufactures of metals) there was a change in the sign between two periods which is interpreted as indicating neither demand nor supply dominance. The remaining seven items of manufactured exports (leather and leather manufactures, cotton fabrics woven, textile fibres other than cotton, made-up articles of textiles material, floor coverings, non-metallic minerals manufactures and non-ferrous metals) may be grouped in two categories those in which the covariance term is negative in both the periods and those in which the covariance term is positive in both periods. In the former group, supply fluctuations have been the major source of earning fluctuations; in the latter group demand fluctuations are to blame. The former group contains seven export items *i.e.* leather and leather manufactures, cotton fabrics woven, textile fibres other than cotton, made-up articles of textiles material, floor coverings, non-metallic minerals manufactures and non-ferrous metals and latter group contains no item. So in our analysis it can be concluded that supply is the major source of earnings fluctuations in major manufactured exports.

## VI. Conclusions and Policy Implications

There is no doubt that the level of Indian exports has increased significantly since the inception of trade policy reforms. Though the rate of growth of exports has increased significantly, yet there have been some variations in growth from year to year. However on the evidence presented above, trade liberalization has had a significant direct impact on agricultural and manufactured exports. Manufactured exports experienced high growth with low instability whereas the reverse is the case with agricultural exports. The variance decomposition analysis suggests that the export earnings instability is mainly due to volume fluctuations rather than the price fluctuations. Further it would appear that earnings variations are due to variations in supply rather than demand. These results have policy implications, which may be briefly considered.

It is often argued that export earnings instability causes domestic instability and may have disruptive effects on economic planning. It is argued that, if private individuals lack foresight and believe all booms (or depressions) will last forever, than the first best policy is for governments to adopt appropriate counter cyclical tax and expenditure policies.

In conclusion, the empirical evidence presented above here supports the earlier arguments that export performance, especially frequent variability in export growth, has an adverse impact on a country's economic performance. This implies that in order to achieve steady economic growth in exports, such as commodity and market diver-

sification and prices must be clearly understood to evolve policy options. With the increased exports of manufactured products since 1991, the problems of waste disposal, ecological distribution and poverty have become more profound. The recent leaning towards 'free trade' and 'globalization' would give more power to MNCs and ecological crisis will be intensified.

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*Falendra K. Sudar*

*With the advent of globalization and economic liberalization along with the emerging market forces, rural women are getting increasingly vulnerable. Despite considerable efforts in the last five decades to empower rural women, a majority of them still has little access to the market economy to support their private initiatives. It is now increasingly believed that the government aid and assistance create dependency and disincentives and that greater access to credit through Women Self-Help Groups (SHGs) could help them acquire the capability and assets needed for their uplift. The present paper is an attempt to examine the issues related to empowering the rural women through development of micro enterprises via Women SHGs. The paper concludes that Women SHGs should be financially integrated with mainstream rural credit to become self-sustaining, so that at the end of micro enterprise development programme, they continue to function.*

## Introduction

Globalization and economic liberalization with the doctrine of free markets have opened up tremendous opportunities for development and growth and consequent modifications in livelihood strategies. However, these economic changes are making the rural women more vulnerable without adequate safety net. The profit of the huge commercial conglomerates: multinational corporations and transnational corporations (MNCs and TNCs) concentrate on cost cutting through technological improvements and ignore the needs of the poor people. The developed countries and institutions like the International Monetary Fund (IMF) and the World Bank are increasingly dictating economic and social policies under the policy of structural adjustment and economic liberalization. In the present situation, the economic transformation is being hammered through at the cost of women empowerment. Economic development without women empowerment can only increase tensions and friction within any society. In developing countries, where only a handful of the rural women are engaged in productive tasks, ignoring them is a sure recipe for disaster [Sudar (2004a)].

In India, if civilized society is to be maintained, all development efforts have to be women-oriented. After many years of centralized planning, it is clear that the government cannot ensure sustainable livelihoods to rural women. The industrial and agricultural sector is unable to absorb them productively. Not only this, the spread and strengthening of neo-liberal economic agenda across the developing world, and its emphasis on marketisation and structural adjustment, rural women's participation in development programmes have assumed significance. There is inadequate understanding of the ways in which liberalization affects rural women's participation in markets, in terms of both productive and reproductive activities. However, the rural women are entering the hitherto reserved arenas of economic endeavors in a big way [Sudar (2004a)].

Besides, the growing population pressure as well as extreme poverty in the Third World has brought about a situation wherein the means available with the rural women are not sufficient for them to live a normal human life. Despite considerable efforts in the last five decades to empower rural women, a majority of the population still has little access to the market economy to support their private initiative. It is now increasingly believed that the government aid and assistance creates dependency and disincentives. Besides, corruption and nepotism has made matters much worse in developing countries [UNDP (2000)]. In India, even the 'targeted schemes' like Integrated Rural Development Programme (IRDP) and Development of Women and Children in Rural Areas (DW CRA) fails to benefit the rural women in desired manner.

Keeping in view the widespread rural poverty, it is needed to ameliorate the economic condition of rural women. In the context of rural women, their economic condition becomes more vulnerable due to unequal distribution of resources. Poverty and deprivation increase gender inequality, which favours a policy for empowerment of women through increasing their greater access to credit through Women Self-Help Groups (SHGs) so that they would be able to acquire the capability and assets that can help facilitate in realizing strategic gender needs. Thus, the Women SHGs can be built on the social capital of the local community, to carry out savings and credit activities to take up micro enterprises to eke out a sustainable livelihood [Moser (1989) and Hydan (2000)]. Keeping the above in view, in the present paper an attempt has been made to examine the issues related to empowering the rural women through development of micro enterprises via Women SHGs.

## II. Formation Women Self Help Groups

During the recent past, the new types of institutions have been promoted to meet the credit needs of those groups who have hitherto been excluded from formal credit

markets [Prakash (2002)]. SHGs are mostly informal groups whose members have a common perception and impulse towards collective action. These groups promote savings among their members and use the pooled resources to meet the emergent needs of their members, including the consumption needs. Sometimes, the generated internal savings are supplemented by external resources loaned/donated by the Non-Governmental Organizations (NGOs) who promote them. SHGs are thus able to provide banking services to their members, which may not be sophisticated but are cost-effective, simple, flexible, accessible to their members and above all without any defaults in repayments of loans. The linking of SHGs to banks helps in overcoming the problem of high transaction costs to banks in providing credit to the poor, by transferring some banking responsibilities, such as loan appraisal, follow-up, recovery, etc., to the poor themselves [Satish (2001)]. Several studies reveal that the most of the groups formed and financed were of poor women. This feature was more conspicuous in the resource-poor regions, predominated by poor people. The demand for credit from these women SHGs was frequent and for small amounts, at unpredictable times and more often for consumption purposes [Puhazhendi (1995)]. These studies also indicated a reduction in transaction costs for both banks and SHG members and almost 100 per cent recovery of loans [Srinivasan and Rao (1996)].

Women SHGs have facilitated the poor women to overcome the existing constraints grappling the formal credit institutions. Women SHGs provide considerable social protection and income opportunities to their members and have sought to explore new ways and alternatives, based on value system that introduces new type of relationships and takes into account the social and economic aspects of collective living and livelihood improvement. Besides, women SHGs also help facilitate the poor women to overcome the difficulty of providing collateral to raise the finance to take up micro enterprises and due to better performance, the SHGs have acquired a prominent status with a view to maximize social and financial returns. The promotion of micro enterprises for the poor rural women is perceived as a powerful medium to ameliorate several socio-economic problems such as reduction in poverty, provision of goods and services appropriate to the local needs, redistribution of both income and opportunities in the community in general. The redistribution of wealth and opportunity lead to decentralization of economic power within the community [Bhat (1999)].

### III. SHGs and Micro Enterprise Development

In developing countries with vast sections of rural women caught up in the web of poverty, the challenge is to generate employment and income opportunities, but in the sustainable manner. Micro enterprise development, whether in the informal or organized sectors, provides opportunities for gainful employment, while preserving

the social structure. Micro enterprise development can play an important role in improving the quality of life. It has emerged as a real boon for the poor and helped in generating additional income for families [Sudan (2002a)]. Micro enterprise development provides ample prospects for illiterate and poor rural women to make a livelihood. Further, it is ideal for many poor women who prefer part-time employment. Most women conforming to the conventional and traditional roles accept domestic responsibilities as mothers and wives. Micro enterprise development facilitates help women to have flexible working hours. Besides, it trains them to acquire entrepreneurial ability and at the same time provide them economic independence.

In most economically depressed poor sections, men desert the families shirking their responsibilities as principal earners. In such cases, it becomes the women's lot to provide for family and children. These female-headed households are the poorest of the poor, because women have less access than men to training, credit, property, resources and income generation. Micro enterprise development can help to create immediate employment opportunities involving a number of women at low investment level. Besides, it provides for full utilization of capital and also reduces the wastage of human resources, particularly women [Sundari and Geetha (2000)].

There are three types of situations in which the poor members of women SHGs may take up micro enterprises: (i) they may take up individual activities; (ii) they may also come together to own common inventories by sharing capital and operating costs, however, their principal economic activity is individual-based; and (iii) they may take up collective activities. The area of concern for micro enterprise development is: (a) identification of demand-led potential; (b) timely supply/availability of raw materials; (c) technology/skill upgradation; (d) access to market information; (e) availability of proper supportive infrastructure; and (f) other backward and forward linkages [Sudan (2002b; 2004b)]. Another area of concern is the non-availability of adequate and timely credit. Bank needs to develop new financial products and adopt innovative approaches to meet the growing financial requirement of micro enterprises. Micro-credit in rural areas is meaningful only if poor are empowered with crucial skill to develop micro enterprises successfully. The long-term entrepreneurial education, access to cheap loans and the formation of Women SHGs will enable them to fight poverty with dignity and build up various skills [Sudan (2002c)].

Prior to 1990s, there were hardly any credit schemes designed for rural women. They have limited access to resources or employment opportunities that would make them financially independent. They live in conditions that do not permit them to meet their minimum consumption needs. They do not control even the money earned by them from hard physical labour. Institutional credit is difficult to access as women rarely have any property rights to mortgage or collateral to offer, as they have to depend on

rural money-lenders for their production-cum-consumption needs. This entraps them into a vicious cycle of perpetual poverty and indebtedness. Some banks notably State Bank of India (SBI) have formulated specific schemes for rural women entrepreneurs and specific training courses for developing their skills. However, their credit needs were not attended to in desirable manner. Given the situation, the micro-credit approach has been considered appropriate through which their potential for small savings should be utilized and their investment and production-cum-consumption needs should be met. The micro-credit to the women SHGs to operationalize micro enterprises is rarely misused. In fact, the income from the micro enterprises is generally used for the betterment of the families, especially children. It reduces the transaction and monitoring costs of the financial institutions and enhances the repayment capacity. The rural women are able to manage their credit operations very practically and are able to face the future with greater degree of confidence [Sudan (2004a)].

#### IV. Micro-Credit for Micro Enterprise Development

The concept of micro-credit to operationalize micro enterprises in rural areas has developed considerably during the recent past. It is working neither on donation nor on subsidy. It is basically rotational investment done to motivate poor to empower themselves and apply the existing theory of 'save for the future and use those resources during the time of need'. Theoretically, micro-credit means making provisions for smaller working capital loans to poor to take up micro-enterprises like dairy farming, poultry rearing, weaving, handloom, handicrafts, etc. [Naithani (2001)]. According to *Grameen* Bank, micro-credit symbolizes small loans extended to the poor for undertaking micro-enterprises that would generate income and enable them to provide for themselves and their families. The targeted groups include women micro-entrepreneurs to which credit up to Rs. 25,000 is provided without any collateral [RBI (1999)]. Under micro-credit scheme, the non-poor is discouraged from borrowing [Hulme and Mosley (1996)], through group formation [Yunus (1999)]. The formation of micro-credit groups ensures the solidarity among like-minded people living in similar socio-economic milieu. The loans are given for pre-identified local raw materials and skill based traditional handicrafts that cannot go wrong in terms of repayment of the loan or it turning into a bad investment [Hulme and Mosley (1996)]. The administrative and monitoring costs are minimized as the loan usage and enforcement is taken care of individually as well through the group [Hussain (1998)].

The popularization of micro-credit has given an opportunity to put gender back in focus in the issue related to development planning. The empirical studies on the relationship between micro-credit and women welfare have shown mixed results. Pitt and Khandker (1996) projected that credit programmes like the *Grameen* Bank are an affective means to empower women by increasing their contribution to house-

hold consumption expenditure, their hours devoted to production for the market and the value to their assets. Rahman (1999), however, brought the rather uncanny face of *Grameen* programme. The insistence on increase disbursement of loans and high recovery rates force the bank workers and borrowing peers to inflict excessive pressure on women clients and escalation of domestic violence. Goetz and Sen Gupta (1996) argued that overemphasis on enhancing women productively in home-based work by disbursing credit is bound to subvert the basic feminist concern for redistribution of gendered domestic responsibilities and thus undermine women's control over resources generated through loans and investment. Pearson (2000) emphasized that micro-credit programmes focus on resources and policies targeted at women and not in terms of improving gender position or transforming gender relations, but in terms of the ways in which credit might successfully allow donors to provide appropriate resources to the poor household.

#### V. Government Programmes for Micro-Credit

The fulfillment of the objective of rural development is very much connected to the availability of bank credit to the marginalized and disadvantaged groups in rural areas. Traditionally, rural women have tended to borrow from the informal sector only. With structural changes transforming the rural areas, institutional credit for women has assumed critical importance. Often, it is the legal provisions and the loan policies and procedures that make credit inaccessible to rural women and keep them out of the mainstream of the development process. IRDP launched for poverty alleviation in India was a target-oriented programme with a focus on identifying the poorest of the poor and helping them to acquire productive assets through bank loan and subsidy from government. The underlying assumption was that lack of productive assets was responsible for the poor being unable to better their lot. IRDP, however, was not successful as was visualized. Several drawbacks were seen in the implementation of the programme [Rath (1985)].

In 1982-83, DW CRA was launched as a sub-scheme of IRDP. This was an attempt to involve women more intensively in economic activities (NABARD, 1999). The focus of DW CRA was on economic activities for rural women to be taken up in-groups. DW CRA was successful to some extent in Andhara Pradesh [Dev (1999)]. However, on the whole, DW CRA too met with limited success and has failed to take off. Despite these schemes and several others, like Training of Rural Youth for Self-Employment (TRYSEM), Supply of Improved Toolkits to Rural Artisans (SITRA), the credit and poverty problem in rural areas continues [Madheswaran and Dharmadhikary (2001)].

The rural women are still dependent on informal sources of credit despite an impres-

sive expansion of bank branch network. Although this dependence has come down from 83.7 per cent of the rural population in 1961 to 36 per cent in 1991, the problem still persists. Given the levels of rural poverty, unemployment and underemployment, "the self-employment programmes assume significance for, they alone can provide income to the rural poor on a sustainable basis" (Government of India, 1999, p.10). Against this background, the schemes of micro-credit through SHGs were designed. NABARD (1999) advocated 'SHG-Bank Linkage' model as a core strategy for provisioning micro-credit to promote micro enterprises to alleviate rural poverty and livelihood enhancement. The SHG-Bank Linkage approach stresses the importance of links between commercial banks, NGOs and SHGs as a mechanism for channelizing credit to the poor on a sustainable basis. In this model, rural women are expected to form groups and borrow from the banks as a group. The default of the bank loan by any one member is the responsibility of all the members. The loan can also be used for consumption purposes. Besides, to begin with, the group has to save certain amount of money to be eligible for bank credit, which helps inculcate the habits of savings. Unlike, DWCRA, the funds under micro-credit programme keeps revolving, which can be used by the women to take up micro enterprises at their own pace and have better chance of success.

Government programmes like Rural Labour Employment Guarantee Programme (RLEGP), Self-Employment for Educated Unemployed Youth (SEEUY), etc. have also not been very useful to the rural poor women. A large number of rural poor women are not prepared by way of skills, attitudes and enterprise to manage income-generating activities involving relatively large financial outlays. This explains the relatively low level of loan amounts disbursed per beneficiary under the IRDP programme. The average credit disbursed per assisted family averaged Rs. 2,566; Rs. 2,289; and Rs. 2,880 in the primary, secondary and territory sectors, respectively as against the maximum limit ranging from Rs. 3,000 to Rs. 9,000. Institutional agencies are also finding it difficult to meet the credit requirements of the poor sections in view of accounts scattered over a wide area, stringent asset classification and income recognition norms, lack of proper assessment of credit needs, mounting over dues, staff problems, lack of consumption loans, etc. The general impression is that government is obsessed with targets. The bankers are worried about the recovery and none is bothered about the development of rural poor women [Kulshrestha (2000)].

*Swarnjayanti Gram Swarozgar Yojana* (SGSY) has been launched in April 1999. The objective of SGSY is to bring every assisted family above the poverty line within a period of 3 years through the provision of micro-enterprise. This is a holistic programme covering all aspects of self-employment such as the organization of poor into SHGs' training, credit, technology, infrastructure and marketing. SGSY lays stress on cluster approach, so that *Swarozgaris* can draw sustainable incomes from

their investments. The choice of activity is based on the local sources, the aptitude as well as the skills of the people. It is also necessary that the products have ready market. SGSY supplements the traditional knowledge of the poor households and facilitates micro enterprise development. As regards non-farm activities, under SGSY care have been taken to identify only those activities that result in the production of goods and services that have a ready market. Infrastructure already available in terms of production, service, training facilities as well as market are being utilized and that choice of activity does not require a new effort in all direction-production as well as marketing. SGSY focused on group approach and involves organization of the poor into SHGs; and their capacity building. Group activities are being given preference and progressively, majority of the funding will be for SHGs [Sadhu and Sudan (2000); Sudan (2002c; 2004c)].

SGSY is a credit-cum-subsidy programme. There are two ways in which a SHG can receive this assistance: (i) Loan-cum-subsidy of SGSY to individuals in a group, provided the prospective *Swarozgaris* in the group are capable of and willing to take up income generating activities and (ii) Loan-cum-subsidy to the group where all members in the group want to take up a group activity. Subsidy under SGSY is uniform at 30 per cent of the activity, subject to a maximum of Rs. 7500. In respect of SC/STs, however, subsidy is 50 per cent and Rs. 10000 respectively. For the groups of *Swarozgaris*, the subsidy is 50 per cent of the cost of the scheme to a ceiling of 1.25 lac. SGSY particularly focussed on the vulnerable groups among the rural poor. Accordingly, the SC/STs account for at least 50 per cent of the *Swarozgaris*, women for 40 per cent and the disabled for 30 per cent. SGSY is being implemented by the DRDAs at district level and BDOs at block level [Sadhu and Sudan (2000); Sudan (2002c; 2004c)].

The size of the loan for micro enterprise depends on the nature of the activity. Nominal interest is being charged as per the guidelines issued by RBI/NABARD from time to time. The sanctioning procedure is easy and the banks take no more than 15 days to sanction the loan. The repayment system is also easy. SGSY proposes a number of measures for upgrading the capacity of *Swarozgaris* both in individual as well as group oriented activities. In case, the *Swarozgaris* possesses the required skills, they may be put through a basic orientation programme after the loan is sanctioned and before it is disbursed. The *Swarozgaris* who needed additional skill development/upgradation of skills, appropriate training may be identified and suitable training programmes organized. SGSY recognizes that for any successful enterprise, appropriate technology and marketing is of paramount importance, for which the services of KVIC, KVKs, ITIs, etc. are being utilized [Sadhu and Sudan (2000);

Sudan (2002c; 2004c)].

J&K State WDC undertakes a number of schemes for economic empowerment of females. The objectives are to assist women in starting income generation units by providing financial assistance, grant-in-aid, subsidy, margin money, etc.; and conduct training programmes to promote talent amongst females. The poor women are eligible for financial assistance (loan/grant-in-aid) under different schemes being implemented by WDC to promote micro enterprises. The prescribed income ceiling determining eligibility for availing credit/loan varies from scheme to scheme. However, the ultimate/end beneficiaries should be variably belonging to weaker sections/living below poverty line. Under the scheme of Setting up of Training-cum-Production Centre, registered societies/NGOs are given 100 per cent finance by Government of India to impart skill upgradation training in traditional and non-traditional sectors and later on converting training centres into production centres, providing employment to females. Likewise, under the socio-economic scheme of Setting up of Production Centre, Central Welfare Board through its socio-economic programme being implemented through registered societies/NGOs endeavours to provide them opportunity for "Work and Wage". These activities provides the women an opportunity to engage themselves in full time and/or part time work to earn either a full wage or a wage to supplement the meager income of the families of the middle income and lower income groups. It also helps these women to earn a wage while working at homes, as far as possible, so as not to cause dislocation to domestic life [Sadhu and Sudan (2000); Sudan (2002c)].

Another scheme called Support to Trainee and Employment Programme (STEP) envisages imparting training and providing employment. Under this scheme, vocational training is being imparted to females. The Department of Women and Child Development, Ministry of Human resource Development, Government of India provides 90 per cent of the project cost and the remaining 10 per cent of the cost is provided by J&K State WDC. The scheme of direct financing under *Rashtriya Mahila Kosh* envisages meeting small credit needs of females with a view to enabling them, to take up micro enterprises. Short term and mid-term assistance is provided to the women belonging to the families living below poverty line at nominal rate of interest. The loan range is from Rs. 4000-6000 for each beneficiary, through NGOs. Though individual ventures are financed, yet major thrust is on group activities [Sadhu and Sudan (2000); Sudan (2002c)].

*Rashtriya Mahila Kosh* provides incentives to NGOs/Societies who help in formation of SHG and promote group activity. The system of post-dated cheques secures the repayment of the loan advanced under direct financing scheme through WDC from the beneficiaries. WDC organizes training in identified trades for women entrepreneurs through the training institutions run by government/NGOs/Societies. WDC

also provides market tie-up to women artisans by organizing craft *bazar*/exhibitions and deputing female artisans to exhibition/gram *Melas* organized by other departments within and outside the state. NABARD/other banks provides financial assistance to SHGs to take up micro enterprises, provided they are six months old and the SHGs are potent of becoming self-sustaining over the period [Sadhu and Sudan (2000)].

The major problem with most schemes for poverty alleviation and channelising credit to the rural areas seems to be that they are not based on unrealistic assumptions and analysis of the rural credit markets. In most of the cases, the beneficiaries' perceived the loan as grant and they do not feel the responsibility of repaying it. Bankers and development agencies too concentrated on disbursing the loan. They did not have the time or the mechanism for monitoring the repayment. This led to poor loan recovery and resulted in the scheme becoming non-viable [Rath (1985) and Rao et al. (1990)]. In contrast, the repayment of loans in micro-credit schemes using SHG is reported to be satisfactory from almost all places, which may be due to better information and peer monitoring [Hoff and Stiglitz (1990)].

Indian banking policy has attempted to involve the public banking network in the provision of micro-credit to the poor through credit groups. Public banks adopt the approach of group lending to the credit groups. Such a policy has three variants that differ in the mode of linkage between the banks and borrowers. These variants are: (i) Public banks to take initiatives in forming the groups, nurtures them over a period of time and then provides credit to them after satisfying itself about their maturity to absorb credit. (ii) Public banks and borrowers (credit groups) are linked through facilitating agencies, which are either NGOs working locally or government agencies. (iii) The functions of forming groups, nurturing them and providing credit to them are performed by NGOs, while banks confine themselves to provide credit to NGOs. This is practiced in regions where the banks are not in a position to even finance credit groups promoted and nurtured by other agencies. However, the utilization of the public banking network for the supply of micro-credit does not necessarily mean the continuation of public regulation or accountability in its operations. It has been pointed out that it is "desirable and appropriate to support evolution of a self-regulatory mechanism for micro-finance institutions such as NGOs, which would prescribe codes of conduct and ground rules" [RBI (2001)]. Hence, the degree of accountability of NGO-led micro-credit institutions in India still remains unclear.

## VI. Principles of Micro Enterprise Development Strategy

In order to operationalize the Women SHGs and make them sustainable, participatory rural appraisal (PRA) should be conducted to incorporate the interests of rural

women in micro enterprise development programme. The continuous dialogue should be initiated with government and non-government representatives and Women SHGs. Women-specific micro enterprises should be identified, for which special attention needs to be given to their skill development, awareness campaigns, development of close links with other gender related poverty alleviation and social programmes, and opportunities for income generation.

Rural women have traditionally been at the fag end of development conduit and hence to bring them in the mainstream of the society, capacity building process needs to be strengthened. The micro enterprise development programme should be based on traditional skills and local resources, which have ready-made local markets. A large proportion of the rural poor women are engaged in household activities and available to take up micro enterprises on sustainable basis, if opportunities are made available. The existing traditional skill possession by the women needs to be strengthened. The women need training in various issues of micro enterprise development, which includes technical, financial and marketing aspects [Sadhu and Sudan (2000)]. The overall objective of micro enterprise development is to empower the rural women and create an environment for social change to improve their quality of life. The programme of micro enterprise development should be implemented through adopting "bottom up approach" evolving and strengthening participatory process.

The matrix of micro enterprise development action plan is shown in box 1, which contains various stages such as the key issues, responsibilities of stakeholders, and the role of the state. The main stages of micro enterprise development are selection of the income generating activities (IGAs), selection of beneficiary group/individual, financial support, marketing, training, documentation and publicity. The key issues in the micro enterprise selection are skill possession, raw material availability, local demand and level of profit expected. In the selection of the micro enterprises, the main responsibility lies with Women SHGs, which are facilitated by social development facilitators through information dissemination on market-related issues and training. The next stage for micro enterprise development is selection of beneficiary group/individual beneficiaries in which the key issues are motivation of the group, skill possession and availability of free spare time to take up the enterprise. Women SHGs have the responsibility in beneficiaries' group/individual beneficiaries' identification and the project facilitators have to facilitate the Women SHGs formation and their capacity building for institutional development. The financial support to Women SHGs is a very crucial stage in operationalizing micro enterprise and its sustainability. Only those types of the micro enterprises are to be selected which have lesser financial requirements. A higher proportion of the finances are to be met from the contribution of the Women SHGs, and the gap is to be met from existing development schemes for which suitable linkages needs to be forged with government and non-

government development agencies. As the Women SHGs have meager finances of their own, the participatory social development functionaries of the project must motivate them to procure loans/funds for equipment and raw materials.

Other important stages for micro enterprise development are marketing, training, documentation and publicity. The key issues for marketing is that the products must have local demand for which suitable consumer linkages are to be forged. The sale price, transportation and storage facilities also assume importance. The project functionaries are required to arrange the finances and training in marketing aspects of the identified traditional handicrafts, which could be based on training needs assessment carried out by the Women SHGs. The project facilitators have to facilitate the Women SHGs in identifying the marketing outlets and in making suitable linkages with them, which could ensure the sustainability. The stage of training is very vital and is linked with each and every aspect of micro enterprise development such as technical skill formation and development, marketing skill, managerial skills, bookkeeping and accounts maintenance skills, etc. The project functionaries have a major role to play in areas such as training needs assessment, identification of trainers, organization of training, forging training linkages, organization of exposure of visits, etc. Last but not the least, documentation and publicity is an important stage in micro enterprise development. It helps in disseminating success stories, preparing training manuals, publicity etc. The micro enterprise development project has a major role in this regard and should meet the cost of dissemination, training expenses, exposure visits, linkage formation etc.

The key objectives and performance indicators of micro enterprise development are shown in box 2. The main objectives of micro enterprise development are institutional strengthening, support to micro enterprise, capacity building of Women SHGs, capacity building of participating agencies, mobilization of funds, and business management and technical support services. The outcomes of the objective of institutional strengthening are to be judged by Women SHG sustainability, financial sustainability and training effectiveness. The mobilization of investment funds and training in business management and technical aspects to Women SHGs are significant objectives of micro enterprise development, where the outcomes are assessed by credit mobilization ratio, number of Women SHGs receiving loans for micro enterprise development, proportion of the loan used, increase in income levels of the beneficiaries, etc. The outcomes of the capacity building of the Women SHGs are measured by extent of mutual support, achievement of self-reliance and self-confidence, cost-effectiveness of financial and technical services and overall improvement in socio-economic status of the beneficiaries. Likewise, the outcomes of the capacity building of the participating agencies are measured by improved orientation and attitude, greater awareness of priorities and needs, and improved level of

services for the targeted groups. The greater mobilization of investment funds for micro enterprise development are assessed by inculcation of saving habits, development of credit management skills, building a pool of creditworthy clients, more access to credit, and reduction in risks and transaction costs of the banks. Finally, the performance of business management and technical support services are measured by increased level of income of the targeted groups, improved management and technical skills of the beneficiaries, and establishment of suitable linkages with concerned stakeholders.

## VII. Implementation of Micro Enterprise Development Strategy

The first step in micro enterprise development through Women SHG is their formation. The targeted women should be identified through PRA techniques. The services of reputed local NGOs should be hired to facilitate the formation and operationalization of sustainable Women SHGs. The greater emphasis should be laid on sustainability of groups, as wherein the poor women had formed groups with the sole objective of receiving government grants or bank loans, the chances of survival and sustenance of such groups are bleak as they generally disintegrated once their limited purpose of availing grant/credit are served. The groups formed with the genuine purpose of self-help in the wake of felt needs had much better chances of success. The social development functionaries mainly the female coordinator, facilitators, and motivators should be drawn from the local population. These field functionaries should be given intensive training on various aspects of group formation and micro enterprise development, before entrusting with the tasks.

A systematic approach should be adopted by taking necessary sequential steps in SHG formation. The first step is the initial interaction to inform the women stakeholders of the objectives of micro enterprise development and group formation. This should be done in their own settings to extract their preferences and perceptions. Later, other field functionaries including local leaders should also be requested to participate in the PRAs and informed about the advantages of group formation. Subsequently, female facilitators and motivators should make follow-up visits. The suspicion, fear and anxiety of members about the group should be discussed and dealt with. Gradually, the women themselves should decide the composition of their respective groups.

PRA approach should be adopted in each and every steps of micro enterprise development. In order to improve community capacity building, steps should be initiated to mobilize the community through participatory approach. To ensure community ownership in project activities, the project should provide extensive training to beneficiaries on technical, financial and social aspects of micro enterprise development.

The social assessment and participatory planning exercises should be carried out by the participatory development functionaries to identify the needs and constraints faced by the women, and integrate them into the plan for micro enterprise development. Special attention should be given to gender training, awareness campaigns and development of close links with other gender related poverty alleviation and social programmes. To ensure that women fully participate and benefit from micro enterprise development programme, the participatory development functionaries along with members of Women SHGs should be encouraged to find specific ways to incorporate the interests of women in the Micro Enterprise Development Plans (MEDPs). Other vital issues related to the micro enterprise development programme includes (see Box-3):

1. Discussion with the community leaders and women stakeholders,
2. Identification of their problems,
3. Raising the level of awareness regarding programme objectives,
4. Building the confidence of the women stakeholders,
5. Collection of data and information about community and resource availability,
6. Undertaking of participatory planning and exploring the views of women stakeholders and integrating them with participatory planning process, and
7. Formation of SHGs and their operationalization viz. creation of thrift habits, opening of accounts in bank, creation of users group, etc.

To begin with, the participatory development functionaries and hired consultants should undertake the PRA exercises. They should conduct the baseline survey of the potential, socio-economic milieu, existing traditional institutions, their strengths and weaknesses, etc. The participatory development functionaries should organize awareness and motivational camps to propagate the policies and programmes of micro enterprise development among the women stakeholders, NGOs, *Panchayats*, *Mahila Mandals*, functionaries of NABARD, DRDA, BDO and reputed local persons. On average, 2-3 camps should be organized in each *panchayat* to motivate and create awareness on various aspects of micro enterprise development. In the second stage, a few Women SHGs should be formed to inculcate the saving habits among the members and to initiate the training programme for micro enterprise development on experimental basis.

Special emphasis should be laid on developing rural poor women's leadership, conflict-resolution abilities, and capacity to identify the full economic, social and political contexts of the disadvantages they suffer, so that they should eventually plan joint action to address these problems. The government functionaries should provide a supportive role in responding to their requests to help them and should provide training in the necessary interpersonal or leadership spheres. Through PRA exercises, the

participatory development functionaries should identify the existing moderately homogeneous groups and motivate them to organize in formal small homogenous Women SHGs, which may take up micro enterprises. Women SHGs should be provided elaborate training in technical, financial, and marketing aspects of the micro enterprises and in record keeping. Clear roles, functions and accountability modes should be jointly worked out for the different members of Women SHG.

The micro enterprise development programme should help the Women SHGs to take advantage of the NABARD's loans to take up micro enterprises. Women SHGs should be financially integrated with mainstream rural credit to become self-sustaining, so that at the end of the micro enterprise development programme, they will continue to function. In nutshell, the pre-requisites for successful micro enterprise development programme should include extensive capacity building and institutional strengthening of the Women SHGs in all aspects of micro enterprises, extensive re-orientation and training programmes in participatory methods, for the line agency staff; and introduction of strong institutional mechanisms to ensure an integrated approach.

**Box 1: Matrix of Micro Enterprise Development Action Plan**

<i>Stages of Micro Enterprise Development</i>	<i>Key Issues</i>	<i>Responsibility</i>	<i>Role of Project</i>
♦ Selection of Micro Enterprise	♦ Skill possession ♦ Raw-material availability ♦ Local demand ♦ Profit expected	Women SHGs	♦ Role of facilitators ♦ Disseminate information ♦ Market related issues ♦ Training
♦ Selection of Beneficiary Group/Individual	♦ Group motivation ♦ Skill Possession ♦ Available free time	Women SHGs	♦ Role of facilitators in formation of Women SHGs ♦ Capacity building for institutional development
♦ Financial Support	♦ Total financial requirement ♦ Women SHG contribution ♦ Existing development schemes ♦ Gestataion period	♦ Participatory development functionaries of the project to motivate women SHGs to procure loans/funds for equipment and loan for raw materials ♦ Project to bear the cost of training etc.	♦ Financial assistance to each Women SHG for equipment ♦ Interest free loan for raw materials to each Women SHG ♦ Training assistance of to each Women SHG, equipment on rotational basis ♦ Engagement of local trainer

<i>Stages of Micro Enterprise Development</i>	<i>Key Issues</i>	<i>Responsibility</i>	<i>Role of Project</i>
♦ Marketing	♦ Local demand ♦ Consumer linkages ♦ Sales price ♦ Transportation ♦ Storage	♦ Project functionaries to arrange finance and training ♦ Women SHGs to assess training needs	♦ Role of facilitator in forging marketing linkages ♦ Ensure sustainability of micro enterprise after project
♦ Training	♦ Micro enterprise based skills ♦ Skill in marketing ♦ Management skills ♦ Book keeping and account maintenance ♦ Follow up training	Project functionaries	♦ Training needs assessment ♦ Identification of trainers ♦ Organization of training ♦ Forging training linkages ♦ Trainer exchange facilitation ♦ Organization of exposure visits etc.
♦ Documentation and Publicity	♦ Disseminating success stories ♦ Preparation of training manuals ♦ Organization of exhibitions/fairs ♦ Publicity ♦ Disseminating through workshops		♦ Meet the cost of dissemination ♦ Cost of preparation of training manuals ♦ Training related expenses ♦ Organization of exhibitions/fairs ♦ Establishment of linkages, etc.

Source: Sudan (2002c).

**Box 2: Key Objectives of Micro Enterprise Development and Performance Indicators**

<i>Objectives</i>	<i>Outcomes</i>
<ul style="list-style-type: none"> <li>◆ Institutional Strengthening</li> <li>◆ Establishment of Women SHGs</li> <li>◆ Sensitization and Capacity Building</li> </ul>	<ul style="list-style-type: none"> <li>◆ <b>Women SHG Sustainability</b></li> <li>◆ Drop out rates</li> <li>◆ Accumulation of savings</li> <li>◆ Average loan size</li> <li>◆ <b>Financial Sustainability</b></li> <li>◆ Repayment rates</li> <li>◆ Portfolio at risk rate</li> <li>◆ Transaction costs</li> <li>◆ <b>Training Effectiveness</b></li> <li>◆ Proportion maintaining systematic records</li> <li>◆ Number of groups formed by mature Women SHGs</li> </ul>
<ul style="list-style-type: none"> <li>◆ Support to Micro Enterprise Development</li> <li>◆ Mobilization of investment funds</li> <li>◆ Training in business management and technical aspects to Women SHGs</li> </ul>	<ul style="list-style-type: none"> <li>◆ Credit mobilization ratio</li> <li>◆ Number of Women SHGs receiving loans for micro enterprise</li> <li>◆ Source of loan</li> <li>◆ Proportion of loans used for micro enterprise development vs consumption</li> <li>◆ Increase in income from micro enterprise</li> <li>◆ Income and resource control within household</li> </ul>
<ul style="list-style-type: none"> <li>◆ Capacity Building of Women SHGs</li> </ul>	<ul style="list-style-type: none"> <li>◆ Mutual support to manage their own affairs</li> <li>◆ Increased self-reliance and self-confidence</li> <li>◆ Cost-effectiveness of financial &amp; technical services</li> <li>◆ Improved socio-economic status</li> <li>◆ Women empowerment</li> </ul>
<ul style="list-style-type: none"> <li>◆ Capacity Building of Participating Agencies</li> </ul>	<ul style="list-style-type: none"> <li>◆ Improve orientation and attitude</li> <li>◆ More awareness of priorities and needs</li> <li>◆ Improved level of services</li> </ul>
<ul style="list-style-type: none"> <li>◆ Mobilization of Investment Funds</li> </ul>	<ul style="list-style-type: none"> <li>◆ Inculcation of saving habits</li> <li>◆ Development of credit management skills</li> <li>◆ Building a pool of creditworthy clients</li> <li>◆ Access to credit</li> <li>◆ Reduction in risks and transaction costs of the banks</li> </ul>
<ul style="list-style-type: none"> <li>◆ Business Management and Technical Support Services</li> </ul>	<ul style="list-style-type: none"> <li>◆ Increased level of income of targeted groups</li> <li>◆ Improved management and technical skills</li> <li>◆ Establishment of suitable linkages</li> </ul>

Source: Sudan (2002c).

**Box 3: Implementation Process of Micro Enterprise Development**

<i>Activity and Participants</i>	<i>Process</i>
<ul style="list-style-type: none"> <li>◆ Activity: Participatory process</li> <li>◆ Participants: Rural women and social development functionaries of the project</li> </ul>	<ul style="list-style-type: none"> <li>◆ Discussion with women stakeholders</li> <li>◆ Interaction with rural women and PRA process</li> <li>◆ Identification of their problems</li> <li>◆ Identification of micro enterprises based on different parameters</li> <li>◆ Raising the awareness of women stakeholders</li> <li>◆ Building the confidence of rural women</li> </ul>
<ul style="list-style-type: none"> <li>◆ Activity: Formation of Women SHGs</li> <li>◆ Participants: Rural women and social development functionaries of the project and Women SHGs</li> </ul>	<ul style="list-style-type: none"> <li>◆ Operationalisation of Women SHGs</li> <li>◆ Creation of thrift habits</li> <li>◆ Opening of saving accounts</li> <li>◆ Creation of inter-loaning scheme</li> </ul>
<ul style="list-style-type: none"> <li>◆ Activity: Training</li> <li>◆ Participants: Local crafts-person/development agencies project staff NGOs</li> </ul>	<ul style="list-style-type: none"> <li>◆ Provision of training and skill up-gradation</li> <li>◆ Training in financial and marketing issues</li> </ul>
<ul style="list-style-type: none"> <li>◆ Activity: Linkages with other development agencies</li> <li>◆ Participants: Govt./non-govt. agencies/project staff/NGOs</li> </ul>	<ul style="list-style-type: none"> <li>◆ Initiation of micro enterprises</li> <li>◆ Training</li> <li>◆ Linkages for marketing and micro credit</li> </ul>
<ul style="list-style-type: none"> <li>◆ Activity: Monitoring and evaluation</li> <li>◆ Participants: Women SHGs/NGOs/project staff gov./non-govt. development functionaries</li> </ul>	<ul style="list-style-type: none"> <li>◆ Evolving participatory monitoring and evaluation.</li> </ul>

Source: Sudan (2002c).

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## TRIPS and Pharmaceutical Industry in India

Arijita Dutta

*The present paper examines a number of issues related to the new patent system upon Indian pharmaceutical industry. Questions such as, whether it would be reasonable to allow the MNCs to create monopolies through patents: whether TRIPs, when introduced, would encourage the transfer of technology from North to India; and the importance of patented products in Indian pharmaceutical market have been discussed. The paper goes on to caution that TRIPs might cause certain problems in India. Indian government needs to be cautious about the possible abuses and use provisions of safeguards painstakingly.*

### Prologue

Patents and pharmaceutical industry have a long and close association. Patents were initially developed in Europe to protect the inventor's interests during the second half of the Industrial Revolution. However, by the year 1883, England has already imposed compulsory licensing to ensure that the companies cannot stop the use of the patented product when it is necessary for the public. The issue of patents and pharmaceutical industry first came into limelight when the Kefauver Committee submitted report at the US Senate in 1959. The report indicated that patents would not be encouraged to create long term monopolies in this health-related sector.

India is a unique developing country, which has the patent system dating back to 1856. A more comprehensive system was introduced in 1911, which did not clearly state what to be patented. The MNCs took the advantage and patented the products. They prevented the Indian companies to produce the patented drugs. Regarding the compulsory licensing the provisions were too stringent and difficult to work. Actually up to 1970, only two licenses were granted.

Two committees were framed to review the patent system in India. One of them was headed by Justice Bakshi Tek Chand and the other was by Justice N Rajagopal Ayyenger. Their recommendations were accepted by the government and a new Patent Act was introduced in 1970. This Act abolished product patents and granted only process patents. The indigenous firms soon introduced elsewhere- patented products

in India by process engineering and marketed them at a low price. They emerged as world leaders in production of important drugs, like Ciprofloxacin, Ethambutol, Ibuprofen etc.

The liberalization process of the 1990s helped the top indigenous firms to expand exports of drugs and thus the balance of trade of pharmaceutical products became positive. The relaxation of price control too helped these firms.

In this situation India is going to change her patent laws by 2005. The WTO has put severe political pressure on this country to accept the Trade Related Intellectual Property Rights (TRIPs) which will reintroduce product patents and increase the length of the patents to 20 years. Other clauses will be changed too. In this backdrop the present paper examines a few related issues of new patent system on Indian pharmaceutical industry. This is already a debated issue and a number of books and articles have been written on it. This paper aims to highlight a number of misconceptions and wants to bring out the real picture. Section I of the paper discusses whether it is reasonable to allow the MNCs to create monopolies through patents in order to boost up their R&D. In Section II, I will examine whether TRIPs, when introduced, would encourage the transfer of technology from North to India or not. Section III deals with the importance of patented products in Indian pharmaceutical market and the measure of the impact. Finally Epilogue will contain my conclusions.

### Section I: Is patent necessary to improve innovations?

Theoretically patents are created as a solution to market failures. The inventor of an idea or of a product faces the problem of non-appropriability of returns because other rivals take the free rider advantage, just alike the public good case. The patents are given to save the creator's interest. Also from the point of view of the 'Incentive Theory' an inventor needs some kind of encouragement to invest in R&D. According to Schumpeter's classical paper of 1950, monopoly structure induces technology innovation the most. The monopolist has a natural tendency to invest in R&D so that it can maintain its monopoly position. This is called 'Efficiency Effect'. On this theoretical ground it is often argued by the MNCs, that strong patent regime is a must to compensate their high R&D cost. By patenting their product, they will create a temporary monopoly to cover their costs. Particularly in pharmaceutical industry, research is very costly and time consuming. In 1990, the development of a new drug on the average cost \$231 million (Di Masi Joseph 1990). This cost has increased stiffly since 1970s due to use of very sophisticated laboratory equipment. Also the gestation period is as long as 16 to 20 years. The success rate is pretty low. There is only 0.01 per cent probability that a molecule developed will be successfully marketed. The loss from the unsuccessful molecules must be covered by the earnings

from a successful drug.

Many economists in this context have investigated the industry importance of patents. They have found that both product and process patents are very important in pharmaceutical industry (Levin et al 1987).

The research-based firms have accused the developing countries with soft patent acts as pirates. In a 1986 survey by the US companies, they accused the Third World countries of pirating and argued that they lose \$ 23.8 billion annually due to inadequate protection of intellectual properties. In particular, the US pharma industry alone loses \$254.5 million per year. Naturally they ask for strong patent regimes in developing countries. This can justify the presence of four pharma MNCs (Bristol-Myers, Johnson & Johnson, Merck and Pfizer) in the Intellectual Property Committee (IPC) which shaped the TRIPs along with Keidanren (Japan) and UNICE (Europe). In fact no other industry has better representation in IPC.

In this context a few words are necessary to take out the actual picture. First, offering direct monetary awards to the inventor can solve the case of market failures. That way they can be encouraged and the social loss be minimized too. On the other hand, there are still doubts in the minds of economists whether monopoly rights can actually provide incentive to R&D. Arrow in his 1952 paper identified that competition encourages a firm to innovate because that way it can achieve the goal of being a monopolist. A monopoly structure, on the other hand, does not induce technology up-gradation because by introducing a new good, the monopolist replaces himself. This is called 'Replacement Effect'. Between these two diametrically opposite views of Schumpeter and Arrow, Dasgupta and Stiglitz (1980) identified that it is the oligopolistic nature of market that improves basic research. They also identified that R&D competitors pick technologies that involve more risky technology under patenting. Thus a firm can exert a negative externality on its rivals. It increases its own chance of pre-empting the rivals when the latter would have discovered early and received a higher pay off. Again, by increasing its R&D effort, a firm reduces the probability of its rivals obtaining the patent and a typical result is that firms engaged in patent race over-invest in R&D and also duplicate their research effort. Thus, the firms engaged in research-intensive sectors often invest more than what is optimal from social point of view and also choose more risky projects than needed actually. Thus, it is wrong to think that R&D encouraged by patents would deliver the good for the society.

Secondly, if we look into the dis-aggregated cost structure of the global pharma giants in the developed countries, we find that it is the marketing expenses, not the R&D costs that predominate (Table 1).

Table 1: Break-up of costs of pharmaceutical MNCs in developed countries

Type of cost	% of total
Manufacturing cost	8-10
R&D cost	8-10
Marketing cost	40-45
Other expenses	15-20
Profit	15-20

Source: Dadha Mahendra 1992

This table points out that it would be unjustified if we grant product patent to cover the high marketing cost leading to lowering of social welfare.

Thirdly, MNCs invest large per cent of their sales turnover in R&D. However, a closer look points out that a very large proportion of the expenditure is spent for a set of different type of costs, rather than genuine R&D cost. These costs often include R&D administration costs at head office and regional level offices staffed by marketing, business planning, administrative personnel. Grants offered to physicians are included in research costs. A breakdown of Hoechst's 1993 R&D budget is an eye-opener in this regard (Table 2). Often the research establishments are bigger than they need to be since R&D expenses are tax-free in most countries (Lall Sanjay 1980). As Moira Dower, editor of the magazine Scrip, puts it, "How much it actually costs to research and develop a new drug is a matter of some debate" (Scrip July-August 1994).

Table 2 : Disaggregated R&amp;D costs of Hoechst in 1993 (DM Million)

Type of R&D	Expenditure	% of total
Central costs	234	15
Clinical developments*	507	32
Pre-clinical developments*	228	14
Research costs*	215	13
Research project overhead	351	22
Others	63	4
<b>Total</b>	<b>1598</b>	<b>100</b>

\*Including expenditure for market development and marketing of compounds.

Source : Scrip Oct 11, 1994.

Fourthly, the issue of piracy takes a very serious shape in the global political scenario. The Rural Advancement Foundation International (RAFI) has shown that if we consider the Third World's contribution in biodiversity and the innovation of hundreds of peasants, USA owes US\$ 202 million in royalties for agriculture and US\$ 5097 million for pharmaceuticals to the Third World Countries (Shiva V and Keayla. B.K. 1997). For example, Eli-Lilly earns US\$ 100 million for two drugs vincristine and vinblastine derived from a plant named rosy periwinkle, found in the rainforest of Madagascar. The country has received nothing.

Fifthly, the implicit assumption underlying the above argument in favour of strong patents to support R & D is that the country with higher R & D activity has higher share in patents in countries with product patent laws. However, in reality patenting depends on lots of other issues too. It is always not the research that is patented, rather it is commercially viable innovation that is patented. Again, the importance of patents is not prominent in certain other research - intensive industries like computers, semiconductors, aircrafts etc. But these industries do earn their returns by different market - oriented mechanisms like lead times, sales and service efforts, quick learning etc. In a study (Shakerman 1991) it has been shown that though patents may be a significant source of return to innovative enterprises, they are not the major ones. The cause behind this limited effectiveness of patents is the ability of the competitors to "invent around" the patents. Long patent life often encourages the rivals to invent around the patents. Thus secrecy may be more important in protecting process innovations (Gallini 1992). The pharmaceutical industries too can use these avenues to earn their necessary returns. Therefore, the argument that product patent is a must to encourage innovation in drugs is invalidated.

Finally, if we look into the historical backgrounds, we find that strong patent protection was given in developed countries only when they have reached a stage of maturity in both R&D and in investment procedure. In the US, the product patent was introduced long time back in 1790, while it was in 1968 in Germany, in 1978 in Italy. In fact it is historically documented that the US indulged in violation of German patents for giving a boost to its domestic chemical industry during the Second World War. In case of East Asian countries like Japan, South Korea, Taiwan etc the soft patent laws helped duplicative research and reverse engineering to improve the technological competence of the indigenous firms. In fact in Japan, pharmaceuticals have been brought under patenting only after 1975. The date for South Korea is even later-1987. In both these countries Utility Model Laws were introduced to protect the adaptations over the imported equipments by domestic investors. In 1980 Japan had awarded 49000 utility models to its nationals and only 533 to foreigners (Kumar 2003). In Taiwan, the government directly encouraged imitation to upgrade the technology.

Finally, it has been found that there are a number of determinants of R&D apart from patents (Dutta A 2004). There are a number of examples where strong patent could not boost R&D, but just created long-term monopoly. A detailed look to this issue is, however, out of the context of this present paper.

## Section II : Does patent encourage transfer of technology ?

The second argument in favour of patents advocates that patents, specially foreign patents in less developed countries ensure transfer of technology. This was first postulated by the General Assembly of the UN in 1961. The study composed of 29 countries and most of them reported that patent was a valuable aid to spread the technology.

The proponents of this argument suggest that much of the technology required for development is patented and thus a disclosure of this knowledge of technology is absolutely necessary. However, know-how disclosed in patent grant literature (which is available to all) is not sufficient enough for complete transfer of technology. Also embodied technology or patented machinery is not disclosed either. Thus direct patent is needed for the transfer of technology.

Again this argument is debated on several points. First, available data show that very few of the patents granted in developing countries are actually worked out. They seldom result in licensing as well. "Thus patents that are neither exploited by the foreigners, nor licensed to domestic producers can not transfer the technology" (Penrose 1973). On the contrary, "Any transference that takes place is done through contracts relating to know-how, ie, non patented technology and if this technology is secret to the firm, a patent is redundant, at least for the time. If it is not secret, then competitors will be willing to sell it, and they will be able to do so if its use is not restricted for prospective buyers by a patent held by the original patentee. Thus in this view, the chief effect of granting foreign patents is to restrict the transfer of technology because it reduces the competition that would have otherwise taken place among foreign sellers of technology". (Penrose 1973).

The motive of taking the patents and then not working them are three-fold-

1. It preserves import markets for large MNCs without foreign investment.
2. The patent holder can impose legal restrictive conditions on the subsidiaries easily.
3. It prevents the potential competitors to take up production and export to other countries.

These benefits usually run in opposite direction for the host country. It may pay very

high premium price for the imported patented product and also lose potential export market. The MNCs tend to take patents in one country when patent in other countries expire — thus creating a long term monopoly in the export markets. The potential producers in the developing countries will not be able to earn export revenues. The report of ESA, UNCTAD and WIPO on 'The Role of the Patent in the Transfer of Technology to the Developing Countries' (1964) clearly states that almost 90-95 per cent of the patents granted in developing countries are unused in production. This report states that it will not benefit the developing countries where it is not economically feasible to set up manufacturing base, but just which imports the requirements from abroad. The actual empirical data suggest the same. The per cent of exploitation of patents was fairly low in important Latin American countries in 1960-70s, when they used to grant strict product patent in pharmaceuticals (Table 3).

**Table 3: Rate of exploitation of patents in Latin American countries in 1960-70s**

Country	Year	Total patents granted	Patents in pharma-ceuticals	Patents worked in country
Columbia	1970	3515	2534	10
Peru	1960-70	4945	NA	54
Argentina	1972	102	NA	15

Source : Vaitos C (1972)

As a result, the MNCs continue to exploit their monopoly positions. They even use the methods of 'patent pooling' products. They divide the global market among themselves and avoid competition. In a statement given by the US senate in 1957 (page 10), it was clearly suggested that 'The markets of the undeveloped and non-producing areas are then allocated in accordance with the respective bargaining power of the various producers.'

Under-exploitation of patent is found in the Amendment of the Canadian Patent Act (1952) in 1972. The Amendment clearly states that patents are granted not only to help innovation, but also to be certain that it should be worked on commercial scale in Canada without undue delay. But unfortunately, today Canada is one of the developed countries in the world who are urging the developing countries to grant strict patent laws according to WTO where importation is accepted as working of patents. The second objection is related to the fact that the patents often do not contain enough disclosure of technology and embodied capital. According to the laws the patent application must contain all the necessary information so that the technology is clearly

known to the skilled engineer. This is stated in most of the international patent laws, including the European patent convention. The Indian Patent Act of 1970 goes one step further that the description should be complete so that workers in India with 'average' skill can understand the technology. It is generally believed that the developing countries grant a high per cent of patents to the foreigners and thus the people of these countries do not gain substantially from the foreign patents unless in exchange they receive the information about the latest technology.

Thus insufficient disclosure not only deprives the Third World countries from having enough knowledge, but also restricts the competition once the patent expires. The patentee often sells the knowledge separately under the name 'know-how' and charge premium price for it. This enables the MNCs to increase their monopoly strength beyond the term of their patent and totally unforeseen by the patent - granting authority.

In several cases we find that the MNCs stress more on know-how and trademarks, rather than pure patented information. This can be made clear from the Indian scenario. In Indian Patent Act, the patent specification is needed to be clear to understand, but not necessarily commercially viable. The know-how on the other hand covers information needed to set up a production plant or to commercialize the invention. It is commercially confidential and separately disclosed under the terms of a licensing agreement executed between the seller and the buyer. Therefore, know-how gives commercial value upon the invention disclosed or not disclosed in a patent. We look into the classified agreements of asset transfer in India in Table 4.

**Table 4 : Classification of agreements according to type of assets transferred in India (1986 - 94)**

Type of assets	Subsidiaries	Minority capital companies	Pure Technical collaboration	Total
1. Patents, trademarks, know-how	14	18	7	39
2. Patents & trademarks	2	1	0	3
3. Patents & know-how	18	22	26	66
4. Patents	0	0	2	2
5. Trademarks & know-how	5	47	25	77
6. Know-how	64	535	673	1272
7. Trademarks	2	6	2	10
8. Design & drawings	0	3	12	15
9. Others	4	5	6	15

10.Total 109 637 753 1499

Source: RBI 1999

Table 4 shows that agreements involving transfer of know-how outside the patent specification covers 84.9 per cent of all agreements and in combination of other assets know-how transfer constitute 97 per cent of total agreements. On the contrary, the know-how transfer along with patent constitutes only 7 per cent of total agreements. The importance of know-how transfer without patents is even pronounced in case of pure technical collaboration companies.

We can find similar results for other developing and developed countries if we compare cross-country data of the Table 5. It reveals that in industrialized countries patents are the most important mode of asset transfer. In developing countries know-how is separately transferred along with patents and independent of patents. The figures for India in this table differ from those in previous Table 4 only in the sense that in more recent past India has received more know-how without patents. The meagre per-cent of asset transfer under patents only in 1961-62, when India used to grant product patents shows the failure of patent system in transferring technology. The importance of patents in developed countries actually shows that the significance of patents to induce transfer of technology depends on the economic well being of countries.

**Table 5: Percentage distribution of asset transfer**

Type of asset transfer	India 1961-62	Philippines 1972	Latin America 1962	Industrialist countries 1962
1. Patents only	1.7	0.4	23.1	52.1
2. Patents, know-how & trademarks	21.6	25.9	36.6	18.3
3. Patents & trademarks	2.1	1.6	0	0.3
4. Patents & know-how	9.0	16.5	8.2	15.2
5. Trademarks & know-how	22.4	15.4	18.7	2.8
6. Know-how	38.9	5.9	7.5	2.4

Source : Greer 1973

Another indication of limited disclosure of information under patents can be found from the fact that though more than 99 per cent of world stock of patents specifica-

tion is legally freely available in India, our country actually uses not more than 0.3 per cent (Department of Science and Industrial Research 1996). The main reason behind this is inadequacy of technical know-how published ready for commercial uses. Even the research institutes and academia do not have access to it.

The third set of objection is related to the patent-dependent and non-patent-dependent inventions. One way of classifying these two types of innovation is identifying the inventor. The discoveries of individual inventors and small firms are treated as patent - dependent because they largely depend on protection provided to them by patents. The inventions of large corporations are non-patent dependent because most of them claim that patents are not critical goals of their innovative efforts (Greer 1973). According to this definition, we find that the patent - dependent inventions constitute a very low per cent of total pharmaceutical patents in India (Table 6). The importance of such inventions, however, increased from 3.88 per cent to 12.67 per cent during the time period 1990-91 and 1998-99.

**Table 6 : Ownership of pharmaceutical patents in India**

Ownership	1990-91	1996-97	1998-99
MNCs	45	80	64
USA	25	21	28
UK	11	51	23
Indian	5	95	86
Private firms	2	43	24
Individual	3	8	19
Public Sector	1	44	43
CSIR	1	38	31
<b>Total</b>	<b>51</b>	<b>175</b>	<b>150</b>

Source : Calculated from IDMA Annual Publications, several years.

Fourthly, the R&D effort in the developed countries are mainly oriented towards the need of such countries. Often the technologies are irrelevant or even detrimental for the developing countries. This is particularly important for pharmaceutical industry. The disease pattern differs greatly between developed and rich countries and poor tropical countries. Naturally the two groups of countries need different sets of drugs. The North Block desperately needs more anticancer and anti-cardiovascular drugs, while the South needs a vast range of anti-infective and vaccines.

Thus, in sum it would be wrong to accept the strong patent law just with the hope that

it would result in transfer of technology. Commercial uses of technologies under patent are completely different issues and they are seldom transferred simultaneously. The technology specification also differs from country to country depending upon the natural resource allocation.

### **Section III : Is the coverage of patents in Indian pharma market too little ?**

There has been a long debate that the value of patented medicines has not been substantial in India and hence it is really not important for her whether product patents are introduced or not. US Trade Representative Ms. Carla Hills has made an observation that the volume of production of patented products in India is less than five per cent in 1991 (IDMA Bulletin XXIII (51)). However, we must remember that it is the value of these drugs that is important and not their volume. According to a study, the combined 'patent-protected' sales value of these products would be Rs. 328 crores against the total value of Rs. 3013 crores of the top 500 products (Redwood, Heinz 1993). Thus, it seems that about 10 per cent of value of sales of top 500 products would be affected by TRIPS in India.

On the contrary, IDMA has undertaken a research work which shows that the per cent of patent-protected drugs in several important therapeutic groups is substantial (Table 7). The therapeutic segment is the relevant market definition in this industry.

**Table 7: Market share of patent protected drugs in India**

Therapeutic Group	% share of patented products in India
Antibiotics	42
Antibacterials	98
Cardiovascular	51
Anti inflammatory	21
Anti ulcer	99
Tranquillizers	61
Anti histaminis	42

Source : IDMA Bulletin XXIII (5)

Again it has been debated that there exists a wide choice of patent-expired products as an alternative to the patented drugs. The proponents of TRIPS give examples of Ciprofloxacin and Ofloxacin. They mention the off-patented equivalents of these drugs as Chloramphenicol and combinations of tetracycline, and cephalosporin. But we would not forget that these patented drugs have gained worldwide acceptance

only because they are much potent and active and they really do not have any "perfect" substitutes. If tetracycline and combinations could have served the patient in the same way as Ciprofloxacin, it was irrelevant to have this best selling drug worldwide. Also when we are taking so much on 'therapeutic equivalents', it is tantamount to saying that these patented drugs would not be available to Indian consumers after TRIPS being implemented.

In this connection, an important study has been done by S P Jain Institute of Management and Research. They find that the amount of market share in India that was under patented drugs elsewhere in 1998 (among the top 250 drugs in India) as only 9.55 per cent. The value of these drugs was Rs. 898 crores only. However, the study does not highlight the market shares of these drugs in the particular therapeutic sub groups. It would not be very fruitful to have a view of the share in the total pharma market due to the plethora of drugs. The market share of any individual block-bluster drug in total market has to be very small. Here I take up a specific study of patented products in top 250 drugs in 1998 in India and find their market shares in the respective subgroups. I also compare the prices of brand leaders of these drugs and that of their possible equivalents (Table 8).

From Table 8 we find that elsewhere patented drugs constitute nearly 84.7 per cent of market share in anti-hypertensive segment, 70.3 per cent of Quinolones, 56.7 per cent of anti-ulcer drugs, 11.7 per cent of cephalosporins in India. Also the so-called 'therapeutic equivalents' are distant and far from being 'close substitutes'. Often they too are patent-protected. Thus this study reveals that the sales shares of the patented drugs in the US and UK in the important therapeutic groups are far from insignificant. It is true that by 2005 when India ultimately shifts to TRIPs regime, some of these drugs would go off-patent. But at the same time there would be new patent drugs coming into the market. The market share of patented drugs in India would probably increase in near future due to recent boost in biotechnology.

In this connection we refer to another argument in favour of the WTO. It is stated that strong patent system does not bestow upon the innovator a 'monopoly power', rather he gets 'market exclusivity'. While a patent offers the innovator the exclusive right to market the patented product, it does not, it is claimed, give the innovator the ability to keep substitutes off the market or to raise prices above costs. However, our above discussion shows that there rarely exist any close substitutes of the patented drugs. Also the innovator often withdraws the just off-patented products in order to market his new form of the formulation for which they take another patent. Thus it directly contradicts the claim that strong patent does not give the innovator monopoly power.

Table 8: Market shares, prices, value of the elsewhere patented drugs in India in 1998.

Drug	Therapeutic group	Market share in therapeutic group	Price of Leader brand (Rs)	Value of the Drug (Rs cr)	Closest substitute/ price of leader brand	Expire of the patent
1. Pefloxacin	Quinolones J3C	3.0	37.16 (Tab 400 mg 10)	15.65	Norfloxacin/38.52	May 1998
2. Astemo Zol	Antihistaminic R6A	2.8	29.58 (Tab 10 mg 10)	3.15	Cetirizine/21.87	March 1999
3. Cefta Zamide	Cephalosporin J1D	3.1	152.79 (inj 500 mg 1)	16.61	Cephalexin 92.72 (Tab 500 mg 10)	May 1999
4. Cetria Zone	Do	8.6	102.2 (inj 1000 mg 1)	46.30	Do	May 1999
5. Felodipine	Myocardia CID	2.6	31.96 (Tab 5 mg 10)	43.3	Amlodopine/18.73	June 1999
6. Vecuronium Bromide	Oxy focias G2A	100	31.43 (Tab 12 mg 10)	34.27	NA	Aug 1999
7. Lovastatin	Antihyperlipidemic B4A	76.9	86.05 (Tab 20 mg 10)	18.5	NA	Nov 1999
8. Enalapril maleate	Antihypertensive C2B	55.4	15.57 (Tab 5 mg 10)	56.96	NA	Dec 1999
9. Lisinopril	do	29.3	28.60 (Tab 5 mg 10)	301.08	Enalapril Maleate	do
10. Famotidine	Anti-ulcer A2B	9.3	7.83 (Tab 40 mg 14)	27.50	Ranitidine/5.73 (Tab 150 mg 10)	do
11. Omeprazole	Do	32.5	18.44 (Tab 20 mg 10)	95.74	do	April 1999
12. Roxitromycin	Antibiotic J1F	31.5	89.71 (Tab 150 mg 10)	80.56	Erythromycin/35.85 (Tab 250 mg 10)	Jan 2001
13. Fluoxetine	Antidepressant N6A	21.3	20.49 (Cap 20 mg 10)	18.46	Flunarizine/22.53 (Tab 10 mg 10)	Feb 2001
14. Roxatidine	Anti Ulcer A2B	3.4	31.96 (Tab 75 mg 14)	9.92	Ranitidine	Jun 2001
15. Ciprofloxacin	Quinolones J3C	59.7	69.49 (Tab 500 mg 10)	311.51	Norfloxacin/38.52 (Tab 400 mg 10)	Aug 2001
16. Ofloxacin	Do	7.6	135.22 (Tab 200 mg 6)	17.09	Norfloxacin/21.81 (Tab 200 mg 10)	Do
17. Perindopril	Antihypertensive C2B	1.9	201.78 (Tab 4 mg 10)	1.98	Lisinopril	Sep 2001
18. Fluconazole	Antifungal J2A	100	180.15 (inj 50 mg 1)	0.32	NA	Oct 2003
19. Lansoprazole	Antiulcer A25	11.5	36.88 (Tab 30 mg 10)	36.88	Ranitidine	Dec 2003
20. Ondasetrol	Antiepileptic A4A	4.4	47.53 (Tab 4 mg 6)	5.95	Domeperidone/17.53	Sep 2001
21. Sumatriptan	Antimigraine N2	7.3	28.80 (Tab 25 mg 1)	1.03	Flunarizine/22.53 (Tab 10 mg 10)	Aug 2008

Source: Compiled from ORG Report 1998-99

## Epilogue

From the above discussions we find that new patent act under TRIPs might cause certain problems in India. The strong patent is likely to affect transfer of technology in this developing country. Also the argument of offering product patents for boosting up R&D by ensuring rewards for their innovation is not accepted. Theoretically the market failure of non-appropriability of returns from creation can be solved by methods other than patents. That way the MNCs would also curtail that part of R&D cost which goes to administration and marketing. The experience from other countries, both developed and developing, shows that they have consciously exploited soft patent laws to favour the indigenous innovators and once they have achieved a level of technological development, they all have tightened their patent laws. Also we have found that it is wrong to think that patented drugs are seldom consumed in India and thus strong patents will not affect the market. Actually, patented products command significant market shares in several therapeutic groups.

It is true that India has had only process patents for the last thirty years. But lack of other supportive policies has resulted in unsatisfactory performance in terms of basic research and technology. The liberalization of the economy has now opened up several avenues to Indian innovators. In this context, the forthcoming TRIPs laws would definitely affect the contour of this research-intensive sector. Indian government must be cautious about the possible problems related to this and keep the options of compulsory license and price controls open. Without these safety valves, the MNCs would exploit the situation, as they have done in several other economies, by not increasing transfer of patented technology, while raising prices for know-how enormously. The monopoly profits of these MNCs would be used for their administrative and marketing expenses at their parent countries. They would also increase the prices of drugs too without direct price controls (Dutta A 2002). However as India will have to introduce TRIPs by 2005 under severe political pressure from outside, she will have to be very careful about the possible abuses and use the provisions of safeguards painstakingly.

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## Deepening Decentralised Governance in Rural India: Lessons from the People's Plan Initiative of Kerala

M. A. Oommen

*Despite over more than half a century of the Indian republic, governance in rural India has failed to improve the quality of life of the average villager. He/She continues to live as the victims of innumerable unfreedoms. That Kerala has out distanced the rest of India in terms of its social and human development attainments is now fairly well acknowledged in the development literature and among policy makers throughout the world. The 73<sup>rd</sup> Constitutional Amendment is a great initiative to establish 'institutions of local self government' with the task to prepare and implement 'plans for economic development and social justice'. Responding to this amendment Kerala has launched in mid-1996 a unique decentralized planning experiment to enhance participatory democracy and quality of life of the local people. This paper is a critique of this experiment to draw lessons for the other Indian states (which still lag way behind Kerala) and for Kerala State itself to put decentralization and democratic practices on a sound and stable footing.*

Panchayat' is a nomenclature associated with rural life in India from time immemorial. It continued to survive with bureaucratic support in the colonial period, but with very little power, authority and activity. The several efforts to bring it back to the democratic process of the country after the inauguration the Indian republic in 1950 did not take firm root. However, since 1992, following the 73<sup>rd</sup> constitutional amendment panchayats have acquired a new meaning as "institutions of local self-government"<sup>1</sup> with the specific task to prepare and implement "plans for economic development and social justice" [See Article 243G of the Indian Constitution]. Many have perceived this new constitutional change as heralding a third stratum of government in Indian federal polity.

Given the title of this paper, the term 'governance' needs to be clarified. This is particularly important because some of the international institutions (e.g. World Bank) have defined the scope of 'good governance' and endeavour to equate good gover-

nance with promotion of institutions supporting competitive capitalism and “includes the provision of sound macro economic policies that create a stable environment for market activity” [World Bank (2002): 99]. For our purpose, governance may be understood as the act or manner of governing. And this has meaning only along with the question, governance for whom and for what? Good governance for those who wield resource power may be bad governance for a large sections in a society comprising predominantly poor people. “Admittedly the most important rationale of decentralized governance is the provision of certain basic services and infrastructures of standard quality at the local level. No citizen should suffer because of her / his choice of location of residence. To deprive a citizen of adequate level of schooling, drinking water, primary health care and other basic services because of her/his choice of location is an injustice” [Oommen (2000): 412]. In short, evaluation of governance of any institution has to be normative and for our purpose means deepening democratic values and improving their operational significance by enhancing the quality of citizenship. Improving the quality of services and delivery mechanisms through people’s participation assumes great significance here.

Local governments have no relevance if it is not responsive, transparent, participatory and accountable to the people and in the Indian context, the most deprived sections of society such as the dalits, tribals, fisher folk and women. Quite often it is said that ‘politics is about power’. Yes, but democratic politics is and should be about bringing power down to the people or empowering them. Decentralisation therefore may be defined as the empowerment of the local population through the empowerment of local governments, (LGs) [See Oommen (2004)]. It is here that the politics of democratic decentralization assumes relevance. Kerala has been widely acknowledged as a state that has progressed in promoting local democracy and decentralized planning far outdistancing all other Indian states. The purpose of this paper is to examine what lessons, positive and negative, that can be drawn from the experience of Kerala’s local democratic experiment called ‘People’s Plan’ by the Left Democratic Front (LDF) government and prosaically rechristened later as Kerala Development Plan by the United Democratic Front (UDF) government.

### Democratic governance and panchayat amendment: A Review

This section seeks to review the 73<sup>rd</sup> Constitutional Amendment, which we may call panchayat amendment under three sub-heads: (a) Salient features of the 73<sup>rd</sup> Constitutional Amendment (CA); (b) A critical review of the state conformity acts passed by all the State Assemblies and which seek to implement the constitutional mandate; and (c) A brief evaluation of decentralized planning and local democracy in Kerala. In all these reviews, *inter alia* answering the following questions are given importance. How far can the panchayats succeed in institutionalizing local democracy?

Are the LGs empowered, responsive, participatory, transparent and accountable? How far has decentralisation helped to reduce poverty understood in the broad sense of “capability deprivation”?

### The Panchayat Amendment: A critique of its salient features

Some important features of the panchayat amendment are given below:

- A key role is assigned to the gram sabha, ‘the assembly of the citizen voters’ as a deliberative and deciding body. In this manner an element of direct democracy is introduced at the lowest level. That is one way to broaden downward accountability as well.
- An uniform three-tier structure across the country with the village, block (intermediate) and district as appropriate levels.
- Direct election at all levels is made regular and mandatory. An independent State Election Commission is established for superintendence, direction and control of the electoral process and preparation of electoral rolls as well as to conduct five yearly elections.
- In all the *Panchayats*, seats are to be reserved for SCs and STs (Scheduled Castes or dalits and Scheduled Tribes) in proportion to their population. One third of the total seats is to be reserved for women. One-third positions of presidents of panchayats at all levels also will be reserved for women. Obviously these are ways to empower the under privileged.
- For assigning expenditure responsibilities to the PRIs an illustrative list of 29 subjects are mentioned in the XI<sup>th</sup> schedule of the constitution. This list of functional assignments is done to identify the areas for planning for economic development and social justice. Each state legislature is required to make not only functional devolutions keeping the list as illustrative guidelines, but also to provide adequate power and authority to enable them to function as ‘institutions of local self-government’.
- Setting up of a State Finance Commission once in five years to review the financial position of the local governments and to make suitable recommendations to the state on the distribution of funds among panchayats.

These and several other features derived from the panchayat amendment have the potential to alter the character of the two-tier federal polity of India significantly. The constitution defines panchayats as “institutions of self-government” [Article 243 (d)] and requires the state legislature to create such institutions. Tremendous political opportunities emerge from the extension of participatory democracy through the institutions of village panchayat, gram sabha, affirmative provisions for dalits, adivasis (tribals), women and so on. Real improvement in the self-esteem of the vulnerable sections of society can come only through a process of meaningful participation.

The nature of the accountability arrangements is also expected to be reversed downward to the people rather than to the bureaucratic superior officers. The efficient use of local resources through decentralized spatial planning mandated in the constitution is an important means to promote economic development. Enhancing the quality of public service delivery be it primary school, primary health care, drinking water supply, sanitation and so on can be ensured only through citizen's involvement and participation. This is an important means to promote horizontal equity in a country known for its widespread disparities in the level of endowment and development.

These tremendous potential for democratizing development and governance in rural India depends not only on the historical background of the state, the political will and approach towards decentralization, but also on the details of the conformity legislation enacted and the manner in which it is sought to be implemented by each state. One of the serious mistakes of the 73<sup>rd</sup> and 74<sup>th</sup> Amendments has been the wide discretion given in the Constitution to each state legislature in shaping the conformity act and rules thereof. Considerable latitude has been given in regard to the revenue and expenditure assignments of local governments. The most prominent is the discretion given to the states to "endow the *panchayats* with such powers and authority as may be necessary to enable them to function as institutions of self-government" (underline added). On this and several other vital aspects regarding planning, maintenance of accounts, and their audit, and so on, 'may' predominates in the constitution. The diversity and weakness in the content and character of the conformity legislations in the country could be traced to this 'original sin' committed in the two Amendments. Moving the 73<sup>rd</sup> Amendment in the Lok Sabha on December 1, 1992, the then Minister of State for Rural Development said: "The Constitution Amendment Bill casts a duty on the Centre as well as the states to establish and nourish the village panchayats so as to make them effective self governing institutions". Indeed the public discourse on democratic decentralization in India today after over a decade of this Act should keep posing the question whether the village panchayats in India are self-governing institutions or not? Have the Centre and States worked sincerely "to establish and nourish the village panchayats"? This is what we try to answer in what follows.

#### **A brief evaluation of the Conformity Acts and their working**

Democratic decentralization is neither deconcentration nor delegation. It is *devolution*. A Task Force on Decentralization of the government of India (GOI) defines devolution thus:

*"Devolution in the context of the panchayats, means that when the authority in*

*respect of a specific activity is transferred from the state to the local governments, the latter should have the prerogative of taking decisions in respect of planning and implementation of such activity. In fact functions, funds and functionaries are complementary to one another in the process of devolution of responsibilities and powers upon the panchayats". GOI (2001): 5).*

Here local governance is seen as an integral element of the federal system and involves devolution of functions, funds and functionaries to panchayats. A perusal of the Conformity Acts of the major states in India leads one to the firm conclusion that no state except Kerala has devolved powers and resources. Actually several state conformity acts use languages such as the 'state may by notification' or 'subject to such rules as may be made from time to time', 'the government may alter' and the like. These undoubtedly are overriding powers that will render ineffective the process of building self-governing democratic institutions at the sub-state level. A few specific comments based on the conformity Acts are noted below.

One, for devolution to happen the **three F's** - functions, funds and functionaries should be transferred simultaneously as explicitly noted in the Government of India definition cited above. With the exception of Kerala, the progress made has been halting, piecemeal and in several cases retrograde. Even in Kerala, the progress in regard to administrative autonomy leaves many things to be desired. Creating an efficient bureaucracy or administrative set up responsive to the rural society is an issue that is sidelined by all states.

There is very little autonomy statutorily because functional assignments are permissive. Andhra Pradesh, Assam, Bihar, Gujarat, Haryana, Orissa, Punjab and Uttar Pradesh are prominent examples. Even in West Bengal widely hailed as a good case of decentralisation, the PRIs (Panchayati Raj Institutions) function more as agents of the state government than as autonomous institutions. Although Bihar's Panchayat Act, 1993 is generous in assigning several functions to the PRIs, it is "subject to such conditions as may be prescribed from time to time". Moreover the Bihar Act defines the Zilla Parishad as a superior body over the GPs endowed with power to suspend the executive orders of GPs (Gram Panchayats). Even Gujarat with a long tradition of PR system "has not been very successful in providing to its village level institutions, the functional and financial autonomy which is integral to self governance" [P.N.Sheth (2000) in G.Mathew (ed) (2000): 104]. While erosion of autonomy is bad enough, the worst cases are those states where the PRIs continue to be dominated by MPs (Members of Parliament) and MLAs (members of legislative assembly).

Two, the GPs in several states are not adequately strengthened financially and technically to deliver even some of the basic services not to speak of the developmental

responsibilities under the new dispensation. In some states civic services which traditionally belonged to the panchayats like street lighting, provision of drinking water supply, sanitation and drainage, primary health care and the like have not been entrusted to them. Instead, some of the services, when provided are done by the state departments [Subrahmanyam (2002): 133]. In Haryana, GPs practically deal with only drinking water and construction and maintenance of roads to the exclusion of all others. [See Choudhury et al (2000): 61].

Three, because almost all the 29 subjects assigned to PRIs are state-concurrent, there is need for role clarity to avoid duplication and over-lapping. While any effort to strengthen the reach and quality of basic services through GPs is to be welcomed, unless there is clear role clarity as between the state on the one hand and the three-tiers on the other in regard to functional assignments, decentralisation can only result in more confusion, delay in implementation and add to the difficulties in evolving an efficient transfer system. Several states have repeated the 29 subjects mentioned in the panchayat amendment as functions of all the three tiers. Only a few states like Andhra Pradesh, Kerala, Gujarat and Madhya Pradesh (MP) have broken the 29 subjects into activities and sub-activities. Clear functional mapping is a necessary condition to ensure efficient decentralisation.

Four, PRIs in most states have ignored the constitutional mandate to plan for 'economic development and social justice'. Kerala, Himachal Pradesh, Madhya Pradesh, Bihar and West Bengal have statutorily recognized this. But in no state except in Kerala this important mandate has been made into a detailed bottom up planning process. In Madhya Pradesh, the task of planning and implementation of schemes for economic development and social justice has been given to 'district governments' created by delegating various powers and responsibilities of the state to District Planning Committees (DPCs) and calling them subordinate agencies of the government for this purpose. It is difficult to consider this process as bottom up planning. In Bihar, the statute gives powers to the Zilla Parishad to plan for economic development and social justice. But this power remains only in the statute books. West Bengal assigns the gram sansad the responsibility to guide GP in regard to planning for economic development and social justice. But in reality West Bengal too has very little bottom-up planning. In Karnataka PRI planning continues to be "essentially a top-down process". [Satish Chandran in Mathew, ed., (2000): 144].

Five, there are multiple channels of transferring resources to PRIs. Some of them work as parallel agencies (e.g. District. Rural Development Agency) transgressing the functional domain of PRIs. According to the Planning Commission (2001), the share of centrally-sponsored schemes (CSSs) in the plan budget of Central Ministries has currently increased to 70 percent against 30 percent in the early 1980s.

Besides the CSSs, there are 26 sectoral programmes falling under the 29 subjects of the XI<sup>th</sup> schedule which the Central Ministries handle [See Planning Commission (2001)]. The state governments are also equally guilty of this transgression game. The Janmabhoomi, the Village Education Committee, Economic Restructuring Project and the like handled by the Andhra Pradesh state have virtually marginalized the PR regime of the state. The Gram Vikas Samitis of Haryana, the Joint Forest Management Committees of Gujarat, Rajasthan's Watershed Programme, the Water Use Groups and Site Implementation Committees of Uttar Pradesh and the District Government in Madhya Pradesh are other cases to be specially mentioned in this context. Multiple channels of resource flow can only lead to inefficient planning, duplication, corruption and waste of resources, besides undermining the effectiveness of democratic decentralisation.

Six, turning to tax assignments, the pattern of pre - 73rd Amendment regime has been repeated in a large number of states. No state seems to have anticipated the expanding needs of decentralized governance and made appropriate changes in the revenue assignments to local bodies. The intermediate and district panchayats are not given substantial taxing powers [See Oommen (2004a) for details]. Only GPs are endowed with taxing powers. The number of taxes assigned to GPs ranges from two in Tamil Nadu to twelve in Andhra Pradesh and Gujarat. By and large, the tax base covers property, persons and business. The taxes assigned to GPs generally are not elastic or productive. Even where several taxes are assigned, the autonomy of the PRIs in exercising them is considerably restricted by rules, restrictions and conditions.

Seven, probably the most important aspect in deepening local democracy relates to strengthening the gram sabha. Most legislations authorise the gram sabha only to "consider" "examine" "discuss" the budgets, audited reports etc. States like Andhra Pradesh, Karnataka and Madhya Pradesh authorize gram sabha to review programmes of work current or new. The Kerala Panchayat (Amendment) Act, 1999 has empowered gram sabhas (every ward has a gram sabha) in regard to planning, selection of schemes and beneficiaries and so on, besides giving authority to "scrutinize" budget, accounts and the like. Quarterly meetings of gram sabhas are mandatory in Kerala. The gram sabhas are not made the kingpin of local democracy in most other states.

In brief, the statutory framework created for local democracy in India leaves many things to be desired. Kerala stands head and shoulders above all other states in creating a proper legal framework with enabling provisions for local democracy and decentralization to function. [For more details see section 1.3]. The above criticisms should not make us to ignore the fact that the 73<sup>rd</sup> Amendment has endeavoured to fill a major institutional vacuum in rural governance in India. How the opportunities

provided are made use of is a matter of democratic practice as well. In the country as a whole, there are 231,630 gram panchayats, with over 2.4 million elected representatives. In 77,210 gram panchayats women are presidents. At the intermediate level, there are 5912 block panchayats with 1970 women heads. Of the 594 zilla parishads or district level panchayats, about 200 have women presidents. Including the urban local bodies, there are about three million elected representatives out of which one million women occupy positions as members or heads – a unique world record. The SC/STs are over 6,60,000. It is important to note that several micro studies conducted in different parts of India show that women representatives belong to the lower socio-economic strata. Although the number of local level representatives is large, the women and SC/ST representatives face formidable objections from the upper castes and vested interests through out the country. The pages of the *Panchayati Raj Update* of the Institute of Social Sciences which has been reporting monthly the progress in every state during the last decade are replete with stories of atrocities against and killings of dalits, adivasis and women who got elected in the two panchayat elections. According to one study "Illiteracy, poverty, the hostility of caste Hindus and above all non-cooperative and extremely unsympathetic government officials counter effective dalit participation in panchayati raj institutions" [Umakanth (2004)]. It is also important to note that redistributive land reforms which is a necessary condition for social equity and meaningful participation has failed in India except in Kerala and West Bengal. Despite the innumerable constraints, the situation is not definitely hopeless. While there are 'proxy' panchayat women presidents, there are all-women panchayats as well. There are innumerable cases where the traditionally disadvantaged groups assuming the responsibility for supervising as well as implementing the programmes relating to health, education, shelter, antipoverty programmes etc, besides fighting evils like alcoholism, violence against women and local crimes [See Buch (2000), Baviskar, (2004), Mohanty *et al* (2004), Poornima and Vinod Vyasalu (1999) among others].

As regards the linkage between decentralized government and poverty reduction, the correlation is not automatic. Several studies point out that there has been rapid decline in rural poverty in West Bengal due to the PRIs which have created a production-friendly environment in agriculture and cooperation in implementing the anti-poverty programmes of the central and state government and so on<sup>3</sup>. Providing security of tenure to 4 million assets-poor households through land reforms is something to write home about. Even so, it is important to point out that the performance of West Bengal in building the capabilities of rural people leave many things to be desired especially in the matter of elementary education and primary health care. [See Dreze and Sen (2002)]. West Bengal also failed to provide autonomous space to panchayats via clear functional mapping, untied funds and independent tax assignments. In short we can say from the West Bengal's experience that PRIs bear poten-

tial for poverty reduction but the linkage is not automatic. The nature and magnitude of this depends a great deal on the empowering process and policy initiatives of the state government concerned. Indian democracy can succeed only by removing the powerlessness of the common people through bottom up participatory planning. Support guidelines and policy initiatives by the higher level of governments should be complementary to help this process.

### Salient Features of Decentralised planning and local democracy in Kerala

The real watershed in Kerala's decentralisation process and planning begins from mid-1996 when the Left Democratic Front Government that came to power in May 1996 took several landmark initiatives and measures to transform the relations between local government and society. They took to a campaign mode called the People's Plan Campaign (PPC) for the ninth five-year plan. The United Democratic Front (UDF) government which came to power in May 2001 abandoned the campaign mode. We may outline the salient features of the decentralisation planning framework that has evolved since mid-1996 in the state.

1. The Left Democratic Front Government which came to power in May 1996, took the momentous decision to devolve 35-40 percent of the State Plan funds to the local bodies as against 2.35 percent during the Eighth Plan. This massive fiscal decentralisation is characterized as a 'big bang' approach. Each local body was required to prepare a comprehensive area plan before it could lay claim to this plan fund. [See item 5 below]. The underlying objective of the people's plan initiative was to rally behind the local governments, the bureaucracy, the technocracy and the people.
2. The decision to devolve a big plan share to LGs was followed up by a series of legislative amendments to the Kerala Panchayat Act, 1994 and Kerala Municipal Act 1994 and institutional reforms (most of them recommended by the Committee on Decentralisation of Powers, popularly called Sen Committee) that virtually sought to provide functions, finance and functionaries – along with autonomy and powers to the local government. In the words of the Sen Committee:

*"Local self-government is essentially the empowerment of the people by giving them not only the voice, but the power of choice as well, in order to shape the development they feel is appropriate to their situation. It implies maximum decentralisation of powers to the elected bodies to function as autonomous units with adequate power, authority and resources to discharge the basic responsibility of bringing about 'economic development and social justice'".*

Based on the principle of subsidiarity, Kerala has divided the functions of the various tiers of the rural and urban local governments into activities and sub activities. Compared to other states this is an important milestone in the progress of decentralisation process in the country in ensuring role clarity and functional autonomy.

3. All the expenditure responsibilities dealing with poverty alleviation and all state-sponsored and centrally-sponsored schemes for poverty alleviation are transferred to the newly created three-tiered PRIs, notably to the village panchayats. The state government's role is now limited to monitoring and capacity-building. This is not the case in the other states in India.

4. Planning was used as an "instrument of social mobilization" during the People's Plan Campaign. [Isaac (2000)]. This is very much in the public action tradition of Kerala.

5. The plan entitlement of each local government is decided according to a formula with sixty percentage weightage on population, and a one third weightage to backwardness to bring in an equalization element besides some incentive for tax efforts. All grants are provided in a separate document called Appendix IV of the State Budget passed by the State Assembly. Theoretically the departmental heads have very little power.

6. A detailed methodology of decentralized planning from needs identification by the Gram Sabha to final approval by the District Planning Committee needed for administrative sanction in implementing projects has been drawn up by the State Planning Board. Local planning in Kerala involves a multi-stage process that has broadened the avenues of people's participation. Obviously the intent in creating a multi-stage process is to provide participatory spaces for the citizens, local elected representatives and officials to discuss the development projects. The key institutions involved in local planning besides the local government are the gram sabhas, development seminars, and the task forces. The process begins in the gram sabhas – specially called for the purpose – which deliberate and determine local development needs and priorities. Based on the priorities of the gram sabhas and based on the analysis of the primary and secondary data collected, a detailed development report is prepared for each gram panchayat. A development seminar is organized at the panchayat level in which experts, elected members, representatives of gram sabha, and wider public participate. The development seminar helps to concretise further the problems and needs of the panchayat. On the basis of this, duly constituted Task Forces prepare projects with the help of experts and the bureaucracy. The local plan is prepared incorporating these projects. The size of the plan depends on the local resources which the local body can raise (own source revenue, beneficiary contribu-

tion, voluntary contribution etc) and the plan grants from the state and the centre (by way of centrally sponsored schemes). The plans thus formulated are consolidated with the higher-level plans (block and district level) during which all projects are vetted for technical and fiscal viability.

For purposes of implementing projects without leakages and corruption, committees of beneficiaries with representation for women and scheduled castes are sought to be created. The process is important not only because of the wide opportunities provided for people's participation, but also for reducing the power and domination of an entrenched bureaucracy which generally support the rent-seeking interests rather than improving the community's welfare. It may be noted that all other institutional innovations created such as the right to information, citizen's charter, transparency guarantees, Ombudsman, Appellate Tribunal, Performance Audit and so on are also designed to deepen democracy and accountability to the people. Right to information is made a statutory right. This is a powerful step against corruption. Every panchayat has to draw up as per the statutes a citizen's charter specifying the quality of services a citizen is entitled to from the panchayat. This is another important measure to ensure downward accountability. The Ombudsman created to hear complaints from panchayats and people and without whose approval no action against a panchayat by the state government is possible helps to promote local democracy.

Besides strengthening the traditional audit system through Local Fund Audit Department, a special concurrent audit system called Performance Audit system has been instituted to serve as a mid-course corrective and guiding mechanism to put the fledging systems of local governments in proper place. As part of PPC considerable attention was given to what has come to be called social audit. Basically social audit as it came to be experimented in Kerala refers to the evaluation of the quality, fund utilization, punctuality in observing time schedule and general performance of the project works of local governments through beneficiary committees and further scrutiny by gram sabha the activities of the panchayat.

Criteria-based selection of beneficiaries is another significant feature of Kerala's decentralisation. This is ensured through clear enunciation of eligibility and prioritization criteria, application in writing, awarding of marks to each criterion, reading out of marks in Gram Sabha/Ward Sabha meetings and so on.

7. The devolution of over one-third of state plan funds to local governments as untied grant gives them considerable autonomy. But it is subject to the condition that 40 percent of the Plan allocation is spent on productive sectors, 10 percent for women-

related projects called Women Component Plan (WCP) and that no more than 30 percent be spent on infrastructures. The emphasis on building the production base especially of the agricultural sector is particularly important given the longstanding stagnation the agricultural sector of Kerala. The plan allocation specially earmarked for scheduled castes and tribes which from 1980s [called Special Component Plan (SCP) and Tribal Sub Plan (TSP)] administered by bureaucracy are now passed on to the local self-governments and involve SC/ST representatives with the programme.

8. The village panchayats which interact with the gram sabha and which alone has revenue-raising powers among the rural local bodies are given more functions and resources (70% of rural share of plan as against 15% each to the block and district panchayats). The gram sabha is strengthened and empowered legally. It is mandated that the GS meets at least four times a year. Every ward has a gram sabha whose functions range from expressing the local needs and fixing plan priorities to supervising projects. For the first time in India the gram panchayats have started to make their own plans and that too with considerable involvement of the people.

9. A massive capacity-building exercise in a cascading fashion (involving 600 Key Resources Persons (KRPs) at the state level, 10,000 District Resource Persons (DRPs) at the district/block level and 100,000 resources persons at the local level (LRPs)) has been launched under the Kerala Institute of Local Administration (KILA). With the abolition of the campaign process, this corps also disappeared.

10. Availability of internal resources is one of the basic conditions for successful decentralized governance and autonomy. Relatively speaking, Kerala has a strong own resource base. That Kerala panchayats on an average raise a per capita own revenue (taxes and non-tax revenue) of Rs.57 (1998-99) compared to less than one rupee in Uttar Pradesh (1997-98) and Rs.16 (2000-01) in Karnataka where decentralisation ostensibly made headway shows that Kerala has considerable local choice. Given the fact that only 40 percent of the tax potential of Kerala is tapped, [Oommen (2004)] there is immense scope for local choice in Kerala and expanding the plan size.

11. The active association of local governments with Kudumbasree<sup>4</sup>, the State Poverty Eradication Mission, which is a poor women-oriented self-help group initiative against poverty has taken the antipoverty efforts from a project approach to a holistic process approach. Apart from the women-oriented Community Based Organisations (CBOs) associated with the Kudumbashree, as part of the People's Plan initiative, CBOs including all households (poor as well as non-poor) have been started in some GPs as part of its social mobilization and social auditing effort. They were formed in order to get involved in the selection of beneficiaries, cultural activities, projects like

education, health, drinking water and promotion of village level unity and so on.

### Decentralised planning: A critical evaluation

It is clear from the above discussion that Kerala's decentralized planning and decentralization initiatives have features that foster democracy definitely way ahead of the other Indian states. But what has been the progress on the ground? We adduce below certain macro and micro level evidences that help to answer this question.

One of the reasons for the larger devolution of plan funds to the PRIs (over Rs.5400 million during 1997-2002) and the insistence by the State Planning Board to devote a minimum of 40 percent of them to productive sectors was largely to remove the stagnation in agriculture and help to build the material base of the economy<sup>5</sup>. Table 1 of Appendix A gives the trends in net state domestic product, per capita income, and sectoral incomes from 1992-93 the first year of eight plan to 2001-02, the last year of the ninth plan. It also gives the trend in sectoral composition during the same period. Table 1 (a) of Appendix A gives the average annual rate of growth of all these variables. Some important observations from these two tables are noted below. During the eighth plan the contribution of the agricultural sector stayed around 32 percent. But during the ninth plan which coincides with the decentralised plan regime, agricultural sector contribution which includes fishing and animal husbandry has declined sharply. This is not to be interpreted as the normal outcome of an expanding economy where generally tertiary sector makes a higher rate of growth, but also because of the decline in the rate of production and productivity in the agricultural sector as well. It may not be wide of the mark to observe that more persistent and more focused productivity-based interventions would have produced better outcomes in the agricultural sector as could be inferred from some of the field reports discussed below.

As could be noted from Table 1 (a), (Appendix A) the rate of growth of the agricultural sector declined to a very low 2 percent during the ninth plan as against 19 percent during the eighth plan. The fall in the prices of several important cash crops of Kerala like pepper, rubber, cardamom, tea, coffee and the like have apparently affected the growth. More over there was also a decline in the output of milk and eggs in the ninth plan. During the ninth plan period the growth rate of the dairy sector fell to 3.78 percent per annum as against a rate of growth of 4.42 percent during 1990-91 to 2000-01. The growth rate of egg production was a negative (-) 0.22 percent during 1996-97 to 2001-02. [See GoK (2004): 69].

Prima facie, a larger devolution to the local governments, especially to the gram panchayats (70 percent of the rural share) should increase the output of the agricul-

tural and allied sectors more than the others. The performance of SDP, per capita income and the sectoral incomes given in Tables 1 and 1(a) of Appendix A shows a sharp decline during the ninth plan compared to the eighth plan. Both SDP and per capita income have registered sharp fall. Obviously it is not correct to attribute this to the decentralization project. Even so the failure to create a critical impact also cannot be ignored.

We may now turn to some micro level field evidences. John and Chathukulam (2003) examine how far the productive sector in the local areas have triggered economic growth. Empirical evidences adduced by the authors show that the panchayats they studied followed more a re-distributive strategy than a productivity-based intervention. Several other field studies also corroborated this. Nair (2000) who makes a field investigation of the progress and performance of decentralized planning under the PPC in two village panchayats in the Thiruvananthapuram district, mentions of widespread misutilisation of the benefits distributed under individual beneficiary programmes and the unproductiveness of a substantial part of investment made in the production sector.

K.N. Jayan's study which covers 18 agricultural projects implemented during the period from 1998-99 through 2000-01 in the Vaikom Gram Panchayat (Kottayam district) is important because it examines each project proposal, the process of decision-making, implementation and the final outcome. Categorising the productive sector projects as (a) individual - based (target beneficiaries are individuals), (b) institution - based (target beneficiaries are a group of persons) and (c) common property resource-based (target is improvement /maintenance of a common property resource), the author brings out the great chasm between the objectives (quite often unduly exaggerated) and final outcome. The Task Force on Agriculture formulating ambitious or ill-conceived projects, the voluntary technical personnel making indifferent scrutiny, the direct beneficiaries turning inactive, the officialdom which is supposed to provide quality inputs and timely advice becoming unresponsive and the people's representatives not monitoring, a wide gap between objectives and outcome was observed. What the author concludes about the project on equipment for fishermen groups is relevant for several others as well. "The objective of the project was vaguely written 'to increase fish production' and 'to reduce poverty among fishermen'. Panchayat took no initiative in detecting whether the objectives are fulfilled or not". [Jayan (undated): 51].

Another evaluative study on selected agricultural projects in 1998-99 by Prema (undated) in three panchayats in the Malappuram district (Amarambalam in Nilambur Block, Thirurangadi in Thirurangadi block and Kottakkal in Malappuram block) reports that most of the agricultural projects related to paddy cultivation, vegetable

gardening, coconut improvement, banana cultivation and soil conservation. 83 percent of the beneficiaries interviewed by the author reports that due to the implementation of the projects under people's plan, they could bring more area under cultivation and could take to double-cropping (e.g. the vegetable production schemes of the panchayats utilized the paddy summer fallows; irrigation and drainage projects indirectly helped in bringing hitherto uncultivated / abandoned land under cultivation). While the farmers in Amarambalam were unanimous in saying that the area under paddy has not increased in their panchayat they all agreed that productivity has increased. The farmers in all the three GPs reported that the lack of technical services and timely supply of inputs have affected the farming operations significantly. After examining all the crop sector projects from 1997-2000 the author concludes that the majority of the projects were individual beneficiary schemes. One of the important lacunae reported is that most of the projects had no forward and backward linkages. [A. Prema]. Even though there were several projects under the People's Plan, 75 percent of the sample farmers have rated them as 'good' and 17 percent 'very good' with none reporting them 'bad'. The social rate of participation defined as those who have attended all the gram sabha meetings ranges from 45.9 percent in Amarambalam to 67.7 percent in Kottakkal.

The study of Nalini Nayak *et al* (2000) on the wetland resources of Madayi, Mattool, Cherukunnu, Ezhome and Kunhimangalam panchayats of Northern Kerala shows that PRIs were not involved in the innumerable problems faced by those engaged in farming, fishing and mat-making. Construction of ponds and reclamation of wetlands for establishing modern farms have not only encroached into the common property resources but have created havoc through bringing about massive land use changes as well. Introduction of modern shrimp farms raises the question of local land use priorities which alter the land use patterns in the long run, apart from alienating the local population from the life support system of the area. The decline in the extent of mangroves and the changes of shoreline environments have not attracted the attention of the panchayats in the area despite "the people's participation" in local planning.

Nair and Kumar (2004) hypothesise that beneficiaries' participation is a crucial determinant in the sustainability of the development projects implemented under the PPC and verifies this hypothesis by selecting 20 projects from a sample frame of 45 projects implemented in 15 GPs and 5 BPs (Block Panchayats) in the Thiruvananthapuram district. The sample frame was fixed after eliminating all minor projects costing less than Rs. 200,000 in GPs and Rs.300,000 in BPs and construction projects like roads, bridges, school building etc as well as unfinished projects. Only 15 out of the 20 sample projects had "some participation by the beneficiaries at some activity stage or other". [Nair, Kumar (2004): 38]. Beneficiary participation

in none of the 15 projects fulfilled the three-fold criteria of genuine participation measurement used by the authors viz. exercising some decision-making authority, realizing some empowerment and enjoying a limited sense of ownership. Of the 15 participatory projects, beneficiaries' participation was genuine and active only in six. In seven other projects participation was mostly passive and mobilized by the panchayats after formulating the projects. In two other cases participation was only notional. Not only that there were serious lapses in some of the sample projects, the productive outcome too was equally unsatisfactory. Based on "unrealistic and highly exaggerated" estimates, a project costing Rs.1.3 million ended with no outcome at all. Besides corruption and indifferent cooperation by the beneficiaries, outright thefts were also reported. Out of five irrigation projects, only two succeeded in producing concrete results. As the authors conclude:

"Faulty formation of projects, dependency syndrome, interference on political or parochial interests, and panchayat's decision to blindly follow the governmental guide lines without proper investigation about its appropriateness and feasibility are among the major causes for this sad state of affairs. We conclude that in a majority of the social development projects taken up under the people's planning in Kerala, there was no genuine or effective participation by the beneficiaries. The sustainability of the projects would have improved with genuine or effective participation" [Nair, Kumar (2004): 40].

The field reports cited above relate to the productive sectors and people's participation. As regards the impact of decentralisation on poverty there are some reported evidence which affirms that the overall impact of decentralisation on poverty has been positive. S.M Vijayanad a former Local Administration secretary and currently planning secretary is highly positive about the linkage between decentralisation and poverty when he says:

*"The experience of the first few years of decentralisation has proved that in providing basic minimum needs, infrastructure like housing, water supply, sanitation and connectivity, the local governments have performed creditably. The speed and extent of coverage as well as efficiency in providing minimum needs has been superior to that of the state government. It is pertinent to note that funds spent on poverty reduction programmes by local governments significantly exceed earlier investments. This is suggestive of the higher priority given to antipoverty programmes by local governments. The spread of this investment is also much broader and generally more equitable"* [Vijayanand (2002)].

Although this is an official view, the observation that the local governments have been more efficient than the state government in poverty alleviation is something to

write home about. By and large, official statistics suggest that the infrastructural facilities of government schools, anganwadis, hospitals, rural libraries etc. have improved. In places where the beneficiary committees worked well, they have effectively helped to conserve resources and improve the quality of services to the people. [See Pillai *et al* (2000), Chathukulam and John (2002)]. Another major area of achievement is in regard to housing. The official records show that nearly 4,98,000 new houses were constructed (this does not include 1,88,000 houses repaired) and that over 31 percent of these had gone to SC and ST categories. [See Government of Kerala (GoK) (2003)<sup>6</sup> and Rashmi Sharma (2003)]. The projects relating to women (women component plan) according to several observers leave many things to be desired [See Chathukulam and John (2002)]. A KSSP publication notes: "most of the projects coming under the women component plan were silly and make a mockery of the concept behind it" [KSSP (2002):22]. Actually the best part of the people's campaign is that it promoted a development culture where the scheduled castes, scheduled tribes and women have turned from being recipients of beneficiaries to people engaged in the shaping of their lives. [See KSSP (2002), Mohan Kumar (2002)]. The claim that the People's Plan Campaign has led to a development culture above partisan consideration however, has been strongly contested. [See Veron (2001), Chathukulam and John (2002) Olle Tornquist 2002, 2004 and Michael Tharakan (2004)]. According to Rene Veron, "Local development reports and plans may make the prioritization process more transparent, but are no guarantee against favouritism and nepotism" [Veron (2001): 612].

As regards the question of social mobilization, given the socio-political situations relating to associational civil life in contemporary Kerala, "decentralisation with mass involvement" of the campaigners was bound to fail as a sustainable democratic alternative. Clientelism has enveloped civil life and all political parties, left as well as right. Under such a regime rationality suffers because people take to partisan rhetoric and positions. Purposive collective choice becomes very difficult. An average Keralite is a member of several organisations, social, cultural, religious, political, economic and so on. More than half the population can be said to be actively involved in organized civic life [Isaac (2001):4]. But the moot question is how far this social fragmentation has hampered Kerala's decentralised development? To quote Tharakan (who was the Director of Kerala Institute of Local Administration under the PPC regime): "It is evident that Kerala society has deep fissures created by clientelistic party affiliations while there are also reports that caste and community interests are reappearing in manifold ways. In Kerala society, polarized by clientelistic party coalitions, it is difficult for local level organizations by themselves to rise above divisive interests" [Tharakan M (2004): 104]. Tornquist who notes a great political deficit in the substantial decentralisation of Kerala recommends, even a 'repoliticisation' of the democratic politics of the state. Indeed, there are serious

problems in meaningfully embedding decentralisation in Kerala in the emerging social setting of the state.

### Lessons from Kerala

What lessons do the democratic decentralisation and bottom up planning offer for other states in India or for other countries in the world? Some general observations are given below.

One, *devolution* is the keyword in creating 'institutions of local self-government'. The review of the conformity legislations shows how the various state panchayat acts have failed to provide effective devolution of functions, funds and authority to the PRIs. Kerala's amendment to its panchayat act in 1999 provides the statutory framework for creating functional, financial and administrative autonomy at the level of the third stratum of government. Without creating such a necessary condition, no state in India can move forward on the road to decentralized governance.

Two, democratic decentralisation should not be a partisan or narrow political agenda. For it to succeed, both the ruling and opposition parties should own it. Despite the rhetoric of support which the UDF government which came to power in 2001 gave to decentralisation, some of their actions were not giving the right signals to democratic decentralisation. The increase in the cabinet strength from 14 to 20, the creation of separate ministries for local administration and rural development, the introduction of the MLA's local area development fund, several executive orders which virtually killed the beneficiary committee system (which was an innovative way to fight corruption and improve the quality of public works) the abandonment of the voluntary expert scrutiny system and so on have given a wrong signal to the officials and the public. The gram sabha meetings have been considerably weakened. When the meetings are routinised or not held as required and the preparation of minutes are stereotyped and attendance register fudged<sup>7</sup>, one feels frustrated at the manner in which local democracy unfolds in Kerala. Several other institutional arrangements have been weakened and in some cases even vulgarized. The real question is what a political scientist (Olle Tornquist) has raised: how to overcome the political deficit of substantial democratization? Not only Kerala, the country as a whole will have to take this question for reflection and action.

Three, Kerala, banking on its public action tradition took to a 'big bang' approach. It was actually a 'learning by doing' programme. While several arguments can be said in favour of this, it is a fact that Kerala's administrative and technical capabilities also have been severely strained due to the sudden and swift actions and arrangements involved. The multi-stage process involving transect walk, data collection, preparation of development projects with the help of sectoral Task Force teams asso-

ciating technical and non technical volunteers and so on did not become a sustained operation. If it failed in Kerala, it can never be easier in the other parts of the country. Making exaggerated estimates of costs, setting unrealistic targets, indifferent monitoring by the panchayat committee members, holding development seminars in a routine fashion and above all deliberately neglecting or vulgarizing the vital organ of gram sabhas – all these provide the need for better participation of people and modifying the existing institutional arrangements.

Four, clientelist politics can deeply undermine the possibility of building participatory democracy. Kerala has all the ingredient for enhancing democratic values and democratic practice such as right to information, citizen's charter, quarterly gram sabha, Ombudsman and so on. But none of this can work effectively in an atmosphere of partisan and patronage politics. The way the beneficiary committee system is allowed to die without any protest from any quarters (The evaluation of A.R.V Pillai et al of 500 beneficiary committees during the people's plan campaign found that 25 percent of them worked well despite the heavy odds they had to fight against the rentier class lobby) does not speak highly of the emerging democratic practice in Kerala.

Five, given the development tasks mandated by the constitution PRIs have an important role in improving agricultural production and productivity. PRIs of Kerala did pay attention to this. The outcomes reported although show a mixed result, there is tremendous scope for improvement. **But** the state and the local sector should try to pull together in a spirit of meaningful division of labour.

Six, the nature of fiscal decentralisation determines the extent of freedom and autonomy of a local government significantly. The operational autonomy of a local government that does not have taxing powers, and spending powers will be very limited. Kerala's local choice is considerably enhanced because of the higher proportion of own source revenue of the gram panchayats. Even in Kerala 60 percent of the potential remains untapped. A citizen who pays tax will be more interested in scrutinizing and evaluating the working of the panchayat than one who has no such obligations.

In this context the nature of the transfer system assumes great significance. In India horizontal equity can be considerably enhanced through an appropriate system of intergovernmental transfers. Untied grants, matching grants, specific grants and other transfer arrangements can be made purposive through meaningfully designing the transfer system for the promotion of democratic decentralisation. The State Finance Commission has a critical role in ensuring equity, efficiency and democracy at the local level. But most of them have failed in this mission.

Seven, the constitutional mandate to create participatory democracy, through creating 'institutions of self-government' and preparing and implementing plans for "economic development and social justice" need an altogether different paradigm of politics, development and culture. The few success stories of social audit that happened in Kerala show that given the right leadership and institutions, the nature and character of democracy and local development can be significantly changed for the better. Actually, there is a "lack of a scholarly public discourse on the politics of popular democratization" in Kerala (Tornquist (2004): 185) and probably much more in India.

Eight, the proven outcome of the effective linkage between the Kudumbashree, the local governments and the community-based organizations of the poor women show that, unless the poor are fostered as the agents of their development, the linkage between decentralization and poverty reduction could not be firmly established. In this pattern the local government acts as the facilitator of the self-help initiatives of the poor. Being located nearest to the people, the local government has a comparative advantage in developing a synergistic relationship between the government and the community-based organizations for strengthening poverty alleviation efforts. The conventional poverty approach perceiving the poor as the object of development should not be the dominant approach in seeking to establish a viable linkage between poverty reduction and decentralization.

To conclude, the panchayat amendment is a radical effort to transform rural life via the creation of "institutions of local self-government". This obviously requires a radical reorientation of the existing paradigm of rural governance, politics and development. This paper has adduced some evidence to show that the necessary conditions for devolution has not been created in most states. Any one studying the conformity legislations of the various states will be impressed by Kerala's efforts towards functional mapping, fiscal decentralisation and deployment of functionaries. The strengthening of gram sabha, enabling provisions for social auditing, transparency guarantees, right to information, the mandate to produce a citizen's charter by every local body, the office of the Ombudsman and the like are milestones towards deepening participatory democracy in Kerala and offer excellent examples for other states as well. But the growing hiatus between the formal structures and democratic practices in Kerala also needs to be studied. The task of redirecting resources from 'rent' to development remains a distant goal. It is not enough to create the necessary conditions. Sufficient conditions also need be fulfilled to make

Appendix A  
Table 1  
Trends in GDP, Per Capita Income and Sectoral Composition During the Eighth and Ninth Plan Periods

Year	SDP(Rs. In Crores)	Per capita Income (Rs.)	(1) Agriculture SDP (Rs. in Crores)	Agriculture Contribution to SDP (%)	Secondary Sector (Rs. in Crores)	Secondary Sector Contribution to SDP (%)	Tertiary Sector (Rs. in Crores)	Tertiary Sector Contribution to SDP (%)
1992-93	15081.7	5065	4654.93	-	-	-	-	-
1993-94	23851.1	7938	7637.92	32.00	4845.39	20.3	11317.66	47.4
1994-95	29022.4	9539	9327.41	32.20	6091.00	20.9	13546.06	46.7
1995-96	35330.3	11469	11355.42	32.10	7486.42	21.2	16424.76	46.5
1996-97	40698.7	13050	12824.92	31.50	8488.22	20.8	19324.15	47.5
1997-98	44883.5	14231	12709.1	28.30	9694.20	21.6	22409.5	49.9
1998-99	51061	16029	13294.97	26.00	11503.54	22.5	26166.11	51.2
1999-2000	56926	17709	14789.42	25.90	11804.00	20.7	30220.13	53.1
2000-2001	63715.1	19951	13996.8	22.00	13925.84	21.8	35634.95	55.9
2001-2002	73049	22668	13872.41	19.00	17295.83	23.7	41690.24	57.1

decentralisation a viable project of rural governance.

Table 1 (a)  
Average Growth Rate

	SDP	Per Capita	Agriculture Sector	Secondary Sector	Tertiary Sector
8th Plan (1992-93-1996-97)	20	18	19	21	20
9th Plan (1997-98-2001-02)	13	12	2	14	17

[<sup>(1)</sup> Primary Sector minus mining and quarrying]

### Endnotes

\* A revised version of the paper presented at the Third Annual LPD (Local Politics of Decentralisation in Developing Countries) conference held at Soria Moria Hotel, OSLO, September 24-26, 2004.

<sup>1</sup> The term self-government is not defined in the Constitution. It does not refer to an autonomous government empowered to make laws, but refers largely to the limited space of the functional and financial domains assigned to local governments.

<sup>2</sup> For an elaboration of this concept, See Amartya Sen (1981, 1999)

<sup>3</sup> For a rich documentation on this, see Dreze and Sen (2002).

<sup>4</sup> Kudumbashree is the new variant of the Community Development Society (CDS), a federation of women self help groups called Neighbourhood groups (NHGs) a group of 15-40 poor families identified with the help of a nine-point poverty criteria. It emerged out of the successful outcome of the Urban Basic Services for the Poor (UBSP) first adopted in the Alappuzha Municipality and later on in all the municipalities of the state in 1994 and recently introduced in the majority of the village panchayats.

<sup>5</sup> The campaign managers visualized the people's planning campaign as "an important political response to Kerala's development crisis" [Isaac (2000): 4].

<sup>6</sup> It may be noted that the official statistics on the progress of decentralized planning is quite often exaggerated as they are aggregation of reports submitted by the implementing officers. Generally we have not relied on them.

<sup>7</sup> The author has verified minute books and gram sabha records in several gram panchayats.

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## Role of Elected Women Representatives in Evolving Alternative Governance at Grassroots

Prof. G. Palanithurai

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*It is recognized throughout the world that grassroots women's groups are redefining governance and development in their orbit of action. They significantly alter the process of administering development. By their local action significant progress and changes are made in the life of the communities, which in turn, draw the attention of the academics, administrators and the media. The experiences of fifty-two Gram Panchayats headed by women in Tamil Nadu, proved that the elected women representatives consider the space, which they occupy as a space for development.*

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### Introduction

The last decade has seen a growing awareness of the importance of the roles to be performed by women in the public sphere and their impact on the process of development and establishment of good governance. Studies have adequately demonstrated the correlation between the women's participation in governance and decision-making and the delivery of services to the people for their livelihood security and economic development. More specifically, the World Bank's studies confirm a strong correlation between low levels of female involvement in public life and high levels of government corruption (World Bank, 2001). Barriers prohibiting women from access to resources, jobs, education and participation in governance inhibit a nation's economic viability. Gender inequality will result in greater poverty, slower economic growth and lower quality of life.

By involving women, delivery of services in the sectors of education, health, credit and governance will become effective. Enhancing women's rights, access to resources and participation in decision making will not only benefit the women's segments but also the whole community. It is recognized throughout the world that grassroots women's groups are redefining governance and development in their orbit of action. They significantly alter the process of administering development. By their local action significant progress and changes are made in the life of the commu-

nities which, in turn, draw the attention of the academics, administrators and the media. After seeing the implications of women's involvement in governance throughout the world, steps have been taken at the grassroots to build their capacity and skill, sharpen their leadership, and forge alliances with varied partners to project the emergence of the alternative governance. Grassroots women deal with everyday survival and livelihood issues from their own perspective and with the most ingenious solutions as they have a knowledge base which is local in character (Huairou Commission, 2002).

Against the above backdrop, the position of grassroots women leaders in India and their role in governance in administering development and social justice as envisioned in the Constitution of India has to be analysed.

After enacting the 73<sup>rd</sup> and the 74<sup>th</sup> Amendments to Constitution of India, the legitimately created space for women in the orbit of governance has raised a question about whether the women who have come to power at the grassroots can achieve what they have to achieve. It is obvious that the entire public space was occupied by men for five decades but no question was raised as to the ability of those leaders. It is understandable that the women who have come to power with different kinds of disabilities have to perform the task assigned to them. The task assigned to them is not easy. Since the State and Central governments have failed in solving many of the nation's problems, they are being entrusted to the grassroots institutions. Unless the newly recruited leaders equip themselves with skill, capacity and capability to manage the people, the bureaucracy, the resources and the Panchayats, they cannot deliver the goods.

It is an axiomatic premise that the task to be performed in the grassroots institutions and the capacity of the women leaders do not match, as the women elected as leaders face different barriers, disabilities and obstacles. There is yet another proposition that the general expectation is that the women leaders have to perform certain duties which are not expected from men leaders making their task all the more difficult. The following observations of the women Panchayat leaders bring out the above statement:

"Many of the women leaders of Gram Panchayats were driven by the District Administration to the venue of the five day training programme in Gandhigram as they were driven to the public areas by a combination of forces. Now they have realized their worth and started feeling ashamed of keeping themselves aloof from attending office and allowing their male family members to run the office and execute the activities and affixing their signatures on the dotted line as per their instructions", observed by Ms. Juliet Susila, a second time Gram Panchayat woman President while

evaluating the training programme conducted in Gandhigram Rural Institute on 3<sup>rd</sup> March 2004 (G.Palanithurai).

“We came here for the training, as we were asked to by our Block Development Officer, without knowing what to do here. We were accompanied by our male family members and party cadres as we were their captives. After the five day training we came to know our worth and the role and responsibilities that have to be performed by us. We face two inherent problems. One is that we belong to the category of women and the other is that we belong to SC and ST category. As we are in the middle tier of the Panchayat system we have to face the election on a political party basis. We do not belong to any political party. But we were made and branded party candidates as our family members belonged to political parties. We were considered horses and on us the party functionaries tried to ride. To get back their money they kept us in position and obtained our signatures. Many of us were asked not to come to the office as the Vice-Chairperson, being a man, would manage. This advice was endorsed by the Block Development Officer also. But now we feel that our space has been used by someone else. It is the shame of the system. We feel we have also been a party to the shame. This five day training programme has created a hope among us that we can also manage the institution with the input we have gained here. In order to strengthen our efforts jointly we have formed an association called ‘Dalit Block Panchayat Women Leaders Association’ and that Association will project our problems to the appropriate authorities for redressal”, observed S.Ponnammal while making an evaluation of the five day training programme organised by Gandhigram Rural Institute on 30<sup>th</sup> January 2004 (G.Palanithurai).

In one of the conventions of the State Level Federation of Elected Women Representatives, a series of resolutions were passed requesting the state government to pass an order prohibiting the male family members of elected women representatives to attend the official meetings at the district headquarters and affixing the signature of the elected women representatives to get the cheques for the Panchayats. Further they made a plea that when the seat of Chairperson is reserved for women, along with the Chairperson, the Vice-Chairperson’s position should also be reserved for women. Otherwise the Vice-Chairperson will usurp the power of the elected woman President.

The above lamentations no doubt reflect the reality and, at the same time, despite all the problems and troubles, the elected women representatives have drawn the attention of many toward them by their excellent performance, that too in the social development sector (G.Palanithurai). Hence, this article will focus on how the elected women representatives have performed their role and function and how they are different from men. This study makes an investigation into what are the responsibili-

ties assigned to them, how these responsibilities are discharged, how differently they perform in governance and how they overcome the problems in the domain of governance. All these questions will be addressed against the backdrop of the established theory on women governance.

### Backdrop

Women, governance and development are the major subjects for debate and discussion among academicians and policy makers all over the world at present and they draw the attention of the public. Debate and discussion have further deepened after grassroots institutions were created legitimately through the 73<sup>rd</sup> Amendment to the Constitution of India for governance and development (Nirmala Buch, 1998). Ever since women were elected to local bodies after the Amendment was passed in the Indian Parliament, a major question has been raised in every forum as to what extent the elected women representatives (EWRs) can change the agenda of governance and the process of development. It is a well known fact that the state of the art of governance, the condition of women in Indian society and the current trend in the process of development are not what they ought to be in terms of major achievements in their respective domains. Yet the question has its relevance in the present context as an opportunity has been provided to the women in governance to achieve development by changing the development paradigm by changing the agenda of governance. The present study makes an attempt to analyse the role played by EWRs in governance to achieve development at the grassroots. Further it is essential to analyse how they are different from men in terms of their approach and strategy in managing the institutions, delivering services and achieving development. The analysis is more of the process than of the works carried out in the Panchayats.

Five decades of conscious struggle by women groups at the national level have brought the subject of women to the forefront for discussion, deliberation and to the level of policy making (Sumita Ray 2003). As a result of all these activities a series of legislations have been enacted to free women from the existing clutches of bondage and slavery. Yet the conditions have not radically changed. Women are evolving themselves in the context of globalization and governance to face challenges and achieve sustainable development. In looking at the issues of women, perspectives vary from school to school. Micro and macro movements are on in the world in addressing the issues of women from different perspectives. As a result a space has been reserved for women in the orbit of governance legitimately in India by which one million women have come to power at the grassroots as a critical mass to perform a critical function. As an exclusive space has been created for women at the grassroots, they have to work with the community, which is totally engrossed in the local feudal hierarchical social system and patriarchy (G.Palanithurai, 2002). One

can imagine how the community perceives the role of women in governance. It matters much in governance. Further, it is a factor to be visualized that, in a patriarchal system, the men who have lost their political space because of the space reserved for women tend to think that it is their legitimate space which can be occupied by any one of their family members and so these women have been mobilized to occupy their position.

How these women perceive their role and perform their responsibilities is a matter of deep concern for every one. In this context empowerment plays a crucial role (Kumud Sharma, 1992). While visualizing the women's perception and performance, one has to consider the prevailing views on women's space in governance. One school of thought emphasizes the fact that it is a political space and it has to be insisted that they treat the space as governance space and act accordingly. Even though they are elected as representatives of the people, they have an additional responsibility to bring to light the problems of women in general. But the other side of the argument is that they are not the representatives of women alone. They are the representatives of all. There is yet another view that the governments at the Centre and the provinces have not considered many of the development and gender issues as issues of governance. As a result many of the development issues have been totally relegated to the background at the grassroots. Against this background the women leaders have to consider this space as development space. Without moving the political frontiers much, they have to continue their activities in the development domain. It is in such a context of conflicting perceptions that they have to perform their role and responsibilities.

Governance has been a much debated topic in the past one decade, ever since the Government of India announced through the budget of 1991 that the concept of government has to be redefined to suit the context. The government had assumed several responsibilities and taken over several of the responsibilities of the community and thereby the government had become omnipotent and monstrous. People had abdicated their major responsibilities and regarded themselves as beneficiaries. The Government perceived itself and was perceived by others as the provider of benefits and services for which the structure was expanded to the maximum size. In the process of expansion of the government a wide gap was created between the people and the government. The government became so big that the people could not bear the weight of the government. A new class of brokers emerged to negotiate with bureaucrats and thereby corruption became entrenched in every facet of government. Thus, governance became bad. International aid agencies who provided development aid to India expressed concern and demanded good governance to deliver services and goods to the people effectively and efficiently. Consequently the introduction of reform packages, reduction of government institutions, reduction of

cost of delivery of services, handing over of responsibilities to the communities to manage the livelihood security issues are on the cards. Building alliances and partners for governance is currently on. The participation of civil society organizations in the delivery of services has increased. Thus governance has become an important subject for debate among academics and policy makers (IIPA, 1998). It is in this new context that the elected women representatives have to perform their duties and responsibilities.

Development is yet another concept subjected to scrutiny in the context of over exploitation of the natural resources and causing damage to the ecological foundations of nature. Internalizing the concept of development has changed the life style of the people. Producing more, consuming more and market-oriented activities have caused severe damage to the livelihood security of the people. Enabling the rich to become richer and allowing the poor to be marginalized has created a wide divide between the rich and the poor. The growing pace of development causes intense social conflict and thereby peace and equity are jeopardized. To overcome the obstacles and barriers created by the development activities, a new concept has evolved—sustainable development, which provides security to the poor, protects nature, maintains balance in ecology, provides the needs of the individuals and communities. Thus the concept of development (IIPA, 2004) has been localized and it enables the communities to maintain their cultural heritage. Against this backdrop this study makes an attempt to evaluate the performance of the elected women representatives in Tamil Nadu.

### Theoretical Framework

Before evaluating the performance of the elected women representatives, it is necessary to examine the postulates evolved over a period of time on the basis of the experience in the wide world of women's way of governing (Smedha Sharma, 2003, p 13-16). In Political Science women representative and participation in decision making bodies are looked at against the backdrop of the 'critical mass'; which refers to the quantity needed to start a chain reaction, an irreversible take off into a new situation or process (D.Dahlerup, 1998 pp275-276). Based on the studies conducted, Drude Dahlerup set out six changes expected when women achieved critical mass and they include change of political discourse, social climate of political life, policies, culture, behaviour, political attitudes, policy priorities, legislative styles and decision making roles (R.M.Kanter 1976; D.Dahlerup, 1988; P.Norris, 1996). Of the several assumptions about women in governance in the world, for this study a few are considered vital and relevant to the Indian context. First, women will bring a different approach to governance. It is a strong notion among development organizations and women activist groups who have rich experience with women that women

will bring in new ideas, nuances, energy, enthusiasm and approach to governance and that hitherto unutilized potentials will be used. It is expected that women's participation will transform the quality of the political life and agenda. There is yet another view that women leaders come to power with several inherent barriers and weaknesses and as a result, they follow the men as role models and lose themselves.

Second, women perceive the concept of development comprehensively rather than narrowly. They have a broad vision of development. Their notion of development is sustainable development. Their concentration is more on natural resources management. To women bringing service providing institutions to their area is development. Women believe and perceive that service providing institutions, whether a school or a primary health centre or a public distribution system shop, should be near to them as it will reduce their hardship and misery. Further, they consider removal of child labour, alcohol and violence and reducing competition as part of governance and development. To them governance is always good governance and it is equated with government.

Third, elected women representatives play an important role in pushing the women's issues forward for public discussion and decision making. It is pertinent to mention here the view that women have been oriented to think like men as patriarchy is strongly entrenched in the family and the social system. They do have their own distinctive thought process. But there is no space for it in the public fora. On certain issues, elected women representatives show greater concern in the decision making process. It is true that they are not in one group. They have their own different affiliations. In order to bring the women's issues to the public they need a support structure. They establish links with SHGs and through them the issues of women are being discussed. They are also divided on caste, class and religion. Yet they show their distinctiveness in the process of governance.

Fourth, elected women representatives ensure more participation of the people in the process of development and governance. Women leaders at the grassroots in the Indian context always evince simplicity, transparency and accountability. They further demonstrate that they maintain their closeness and contact with the clients and the people. Fifth, elected women representatives have different sets of skills and they enhance the leadership qualities of others. Women have developed skills to carry out works despite the limited resources and differences of opinion with their family members. Working in adverse circumstances is not new to them. Further they have patience to listen to others, which men do not have. On many occasions elected women representatives are honest and accurate in presenting issues to the decision making authorities. Sixth, elected women representatives are the pathfinders in attacking social issues. They assume powers to perform certain roles and responsibilities.

ties. Several of the problems need to be attended to for which no power is needed. Women leaders who have a service orientation in their attitudes and behaviour assume responsibilities and carry out activities in society and they become role models and they are able to set new agendas and perhaps create new styles of leadership (J.Jacquette, 1997 p 34).

Seventh, elected women representatives tend to maintain secular values in dealing with matters of governance. They never tend to give room for discriminatory practices in society based on caste and religion. Having got orientation in managing schemes such as agriculture, water management, fuel and fodder, poverty alleviation programmes, education, health, family welfare, child development, public distribution and social welfare the women leaders' concentration is always on development and on the segment of people who are left out in the process of development. Eighth, the elected women representatives are less corrupt. As per the gender ideology, women are always honest, pure, simple and noncorruptible. Corruption is always found in the public domain and not in the private domain. All public systems are corrupt and whoever comes to the system will be afflicted by the disease of the system. As a result, they will also be coopted. Since women are at the tail end of the public system and remain with the community the women leaders tend to keep the image which they have acquired in the family system and the community. The above mentioned postulates have to be tested for which this work relies on the studies conducted earlier for PRIA, the UNICEF and The Hunger Project. The reports of all these studies form the database for this work.

It is imperative to put forth the factors which are responsible for delivering services to the people effectively through efficient governance by the women leaders. Whether the women leaders occupy the National Parliamentary Institutions or Regional Legislative Institutions, their participative, deliberative and decision making pattern varies from that of men. It is normal that whenever a large number of women representatives are elected to such representative decision making bodies at any level, the expectation of the academics is the difference in their functioning. Women's role in those institutions has been probed all over the world whenever large number of women leaders are elected to decision making bodies at National and Regional levels (Studler and Allister, 1999). Academics have termed it a critical mass by fixing the number of representatives from women at more than 10% of the total membership in the house. No doubt women leaders in the authoritative bodies do bring a new culture and new values and add a new dimension to Legislative Politics (Norris and Lovenduski, 2001).

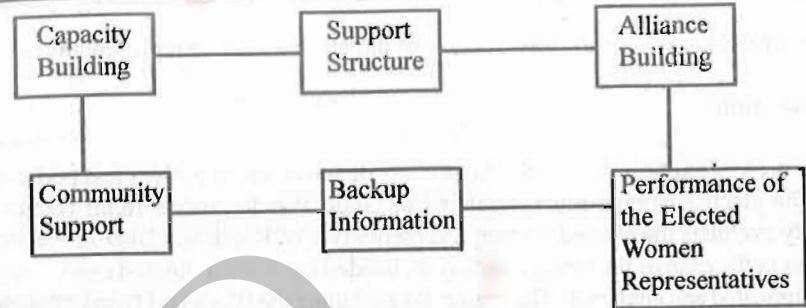
Even in the West European countries (Mac Dougal, 1998), such studies have been conducted and extended to African and Asian countries. Results vary sharply in terms

of performance (Norris, 1985). When women are elected, they are being considered representatives with varying emotions, distinct problems and capabilities. It is to be noted that they are elected as representatives not because they are women but because they are sponsored by a political party. Such representatives are well regulated by the party whips and their emotions, problems and difficulties can be sorted out within the party structure and they cannot go beyond the party. When they go to legislative institutions they are the mouthpieces of their party and not womenfolk. But the general expectation from the womenfolk and women organised groups when they move into policy making bodies is for certain key changes (Dahlerup, 1998). Women's problems have to be articulated in the policy making and decision making bodies. Conscientised women on the issues of women and women drawn from women's organizations to political parties are aware of the barriers and hurdles in party politics and parliamentary politics as they are under the clutches of men. To go beyond the party regulations, they formulate devices and mechanisms by which they form alliances with different categories of groups working within the political system and the administrative system to push forward the issues of women to the centre stage for decision making. The variations observed in the performance of women in different parliamentary institutions are attributed to an array of factors (Sandra Grey, 2001). They are the educational background of the representatives, the capacity of the representatives, the support structure created to help the women representatives, the women representatives' alliance building strategy, the women representatives' capacity in orienting their party structure to take up women's issues and the external support of women groups to the women representatives.

The above factors are mostly responsible for the effective functioning of Parliamentary and Legislative institutions. In the Indian context, the critical mass is formed only in grassroots institutions. These institutions have to work with the community. In India, grassroots institutions, however constitutional and legal they are, are affected by several obscurantist practices as they are drawn from the communities. The grassroots institutions reflect more of the community practices than the political, legal and governmental practices. So, to study the behaviour and performance of the grassroots level women leaders, that too at the Gram Panchayat level, a distinct analytical framework is necessary.

In India, the general capacity of the leaders, their support structure, their linkages with organizations and associations and their orientation distinguishes them from men leaders in terms of their behaviour and performance.

#### Diagram of Analytical Framework



This is based on the experience in other countries and the limited experience from Indian local bodies, that too from the action research carried out in many places. For effective performance of the women leaders, their capacity, community support, support structure at higher level to break the barriers, information backup, and building alliance with various stakeholders are essential factors in the Indian context. Capacity building is not limited to building the managerial and communication skills alone. It includes changing the mindset of the leaders towards the issues of women, children and other marginalized segments. The support structure must extend a helping hand when they take up the issues of women, children and other weaker sections and the marginalized and face an array of problems. Information is the key to managing the institutions and decision making. The bureaucracy survives and establishes its control over the leaders by keeping the information from the leaders. To break this deadlock, an information gateway has to be created and through the flow of information, their articulations are to be made authentic and appropriate. Alliance building is a process by which they establish contact with women groups, the media, development organizations, women's wings in political parties and other practice organizations, groups and institutions. They get periodical support from them for their effective functioning. In the light of the above analytical framework the performance of women leaders is analyzed and explained hereunder.

#### Methodology

To carry out this study, cases have been selected from all the districts of Tamil Nadu and the achievements are analyzed. This is part of a major research work done for the UNICEF (G.Palanithurai, 2004). There have been a number of research studies done for different bilateral and multilateral funding agencies, which will be used substantially in this exercise. Apart from these documents an achievers' meet was organized to project the achievements for large-scale dissemination. The report prepared out of the exercise will also be taken into the present analysis (G.Palanithurai, 2004). Reports prepared on training programmes (G.Palanithurai, 2003) are also used in this study. It is more of a narrative history of the development that took place

in the rural areas with the intervention of the elected women representatives.

### Limitations

The present paper reflects only the process of activities, initiatives and performance of the elected women representatives of Gram Panchayats of Tamil Nadu. This study excludes the elected women representatives of Block and District Panchayats. Even in the case of the Gram Panchayats headed by women, limited cases have been documented and analyzed. The reason for excluding the Block and District Panchayats is that they are elected on party tickets whereas Gram Panchayat Presidents contested in the election on their own as party based contest is not allowed under the Panchayat Act. Moreover political parties do not have any hold over them. Opportunities to exercise their will and vision are more for the Panchayat Presidents. At the same time possibilities for confrontation are also more as they have to work with and in the community. The analysis will project a trend that is emerging but it can not be generalized.

### Socio-Economic Background

The elected women representatives have come to the grassroots institutions with varying socio-economic backgrounds. Their educational background varies from neo-literate to retired college teachers. There are leaders drawn from self help groups and political parties. Leaders who are drawn from political parties and self help groups are oriented in politics and social development issues respectively. Of the women elected representatives 65% are from the middle class, lower middle class and the poor. They have entered into the power structure with all drawbacks and barriers due to the existing socio economic structures in the society (G.Palanithurai, 2004). How they perform their roles and responsibilities in administering development and social justice is probed in this paper.

### Leaders' Perception

The elected women representatives who have occupied positions in the Panchayati Raj System perceive that the Panchayati Raj Institutions are to provide services to the people to the level of the satisfaction of the communities. Their entry into the political domain was sudden and their activities were driven by many in the background as they could not do anything on their own. They never dreamt of such positions in their whole life. The elected women representatives were fully directed by the male family members while discharging the duties and responsibilities. But there is a small segment of elected women representatives who have come from SHGs and political parties as branded candidates, who have taken up the responsi-

bilities on their own. There is yet another section gaining the spirit to act independently after participating in the training and orientation programmes and enhancing their skills and capabilities. Hence the elected women representatives have a perception that the Panchayat institutions have to attend to the needs of the people. A small section of the representatives have focused their attention on development, more particularly on social development (G.Palanithurai, 2001). They are the opinion makers now in the Panchayat system.

### Performance in Governance

Fifty two case studies have been conducted in all the districts of Tamil Nadu. These cases were selected on the basis of the information provided by the District Rural Development Agency of the respective districts. Further it was verified with the NGOs working near the Panchayats. Of the fifty two cases, it is observed that 45 representatives said that in the first period women came to Panchayats as leaders because of the space created by the State by reserving one third positions for women. In course of time, the EWRs developed nuances to manage the obstacles in the family, political parties, communities and offices and started delivering services. They enjoyed the response of the people. During the second term they decided to contest and the EWRs openly said that they were able to win the election based on their performance. While managing the Panchayats a variety of models have been evolved by the EWRs (G.Palanithurai, 2003). One finds variations between blocks and between districts.

Elected women representatives touched upon the basic needs of the community. Their focus was more on drinking water supply, primary health care, child care, public distribution system, common property resources management and environmental protection. They strove to achieve communal harmony to carry out development activities. They felt that social conflict would hamper development. The leaders who have got orientation in Panchayats with the intervention of the training institutions and Non Governmental Organizations focused their attention on social development issues (Rajiv Gandhi Chair, 2002). But on most occasions social development issues were not discussed in the Gram Sabha. But activities relating to social development issues could be seen in the performance of the Gram Panchayat Presidents. The EWRs said: "We are oriented and sensitized on social development issues but people are not conscientised and they continue to harp on only services like water supply, street light and roads" (Rajiv Gandhi Chair, 2004). Thus EWRs have to respond to popular perceptions also as they need the support of the community. To regulate the public distribution system a woman representative (Leelavathy) gave her life. To retrieve the common properties from the encroachment of the mafia, another woman representative (Menaka) gave her life. To stop the illegal brewing

and sale of liquor, a woman representative with her family (Ponni) had to spend several sleepless nights in the same village and face all kinds of ill-treatment. Despite opposition they did all these activities simply because of their vision, social commitment and the fire in them for the cause of the people (TNFWPPG, 2002). But the elected women representatives have slowly evolved strategies to keep the masses with them. They transact all the Panchayat activities in a transparent manner and display the accounts on the Panchayat notice boards. This transparency draws the people towards the Panchayats (Rajiv Gandhi Chair, 2001) and the self-help groups towards the Gram Sabha to discuss the issues of women and children. The women leaders have allowed all sections of the community to express their opinion freely and they listen to them. There is a striking difference between the Elected Men Representatives (EMRs) and the EWRs in conducting the Gram Sabha meetings. When the EMRs, except the Dalits, conduct the Gram Sabha meetings, the leader takes more time and the members of the Gram Sabha take less time. They speak from authority. When the EWRs listen to the public patiently and accommodate their views in the decisions, a sense of collective action is created. People start believing that the leaders are under their control.

The EWRs have developed a practice of mobilizing the people through the SHGs. Men resisted the entry of SHG members into the Gram Sabha meeting as they raised issues which warrant discussion whereas EWRs brought the SHGs to the Gram Sabha and made them partners (Rajiv Gandhi Chair, 2001). This is a new culture developed by the elected women representatives and they have developed nuances and methods by which they raise the issues. They have developed a practice of lobbying with political leaders at the state level for redressal of their problems through the legislature.

They further wanted to bring services nearer to the people and especially to women as they are the worst sufferers if services are drawn from far away places. Normally elected representatives lament upon the poor devolution of powers whereas the elected women representatives assume responsibilities and demonstrate their capabilities in delivering services which receive appreciation from the provincial government. The EWRs attend to minute things like providing nail cutter to the balwadies (Anganwadi), constructing baby toilets, providing mats to the balwadies by making use of the available development schemes (G.Palanithurai, 2003). The EWRs assume responsibilities to deliver services. They say that service channels have to be identified and after that representatives have to watch whether the services are properly delivered by the officials.

Before the Government of Tamil Nadu passed an order for 100% rainwater harvesting, Jesu Mary of Michael Pattinam Panchayat installed 100% rain water harvesting

structures and won appreciation. The Government of Tamil Nadu passed the order only after two years. She said that to do service leaders need no power from above, they need only the community support. Sahaya Mary of Kakkannur Gram Panchayat evolved a Village Based Management System to ensure clean water to all the houses without any difficulty by involving the community and getting their monetary contribution. In the whole of Tamil Nadu no Panchayat was collecting water charges but she collected the same with the active backing of the community. The Government considered it a model and made water an affair of the community and passed an order in this regard. Likewise Rani Sathappan of K.Rayavaram Gram Panchayat totally abolished the practice of using polythene from the Village Panchayat area. Ms.Kala of Noothulapuram Gram Panchayat created a citizens' centre where she provided all information related to development and governance and the citizens' centre was made a place to discuss public issues. Informed citizens go through all the documents provided in the centre and render assistance to the needy. To create well informed citizens she has created this centre. Further the centre discusses issues of the public in the interests of the community. Thus the women Presidents have brought about changes in governance. They have brought about all changes through mobilizing the community for the sustenance of the changes which they have brought about. They strongly believe that the community alone can bring about changes and the leaders are only facilitators.

For men development means laying of roads, black topping roads, constructing community halls, school buildings and more of hardware. As MLAs and MPs they also want to show the physical structures created by them whereas the elected women representatives have started looking at development as all inclusive. They perceive more of software activities. They touch upon ecology, environment, employment, women's literacy, health, livelihood security and so on. When the Government of Tamil Nadu introduced a 15 point programme to make Tamil Nadu a premier state in terms of development, the EWRs convened a meeting of their federation and discussed the document at length and formulated an action plan and submitted it to the government (Rajiv Gandhi Chair, 2002). No other organization has done this exercise. Further, they have indicated the role of the Panchayats in implementing the 15 point programme and for effective implementation they demanded adequate powers and finance for the Panchayats. The issues of Dalits, women, destitutes, orphans, widows and the differently abled are found in the agenda of the elected women representatives. In the EWRs annual convention they have a fixed agenda and they discuss all the social development issues which are not discussed either in the Gram Sabha or in the Panchayat Council. The popular perception was originally different from that of the women leaders. Gradually they have tried to change the popular perception of development. To honour the popular perception of development they have taken steps to put up hardware structures. Chinnamal of Orathupatti Gram

Panchayat declared that, by providing nail cutter and toilet to the school, a new culture could be created among the kids. Providing assistance to the differently abled, destitutes and widows is the priority of Veerakalaiarasi of Veppankulam Gram Panchayat. Stopping the sand mining in their Panchayat area is the main target of Eswari of Appipalayam Gram Panchayat and Rani Muniyakannu of Vanduvancherry Gram Panchayat. To them it is livelihood security and protecting ecology and environment.

Further the elected women representatives, with the support of self help groups, have brought the issues of women to the forefront. Initially the elected women representatives formed their own association and they discussed the women's issues in their forum. They used to invite women activists and feminists to their Association for interaction. By constantly conscientising the women leaders the elected women representatives have grown highly sensitive to women's issues. Women leaders have taken conscious steps to bring the issues of women to the public at the grassroots level. A long list of activities has been identified for the women Panchayat leaders, including combating domestic violence. The women Panchayat leaders have started associating themselves with the State Women's Commission to address their problems. Many of the Gram Panchayat women Presidents have started associating themselves with SHGs and, with their support, many of the women's issues have been discussed in the Gram Sabha. While prioritizing the activities in the Gram Panchayat women have identified a few works for which they had fought against men in the PRA exercise done in model Panchayats. This kind of activities are getting recognition at the grassroots because of the presence of women leaders and the self help group members.

Having proved their credentials in managing the Panchayats, women Gram Panchayat leaders draw more members of the Gram Sabha to all public activities. They exhibit all the accounts on the Panchayat notice boards. In many of the Panchayats, women Gram Panchayat Presidents give work to Ward Members and self-help group members. They never indulge in corrupt practices. It is natural that when women take up such works, all in the community are interested to see their works. Further the women are always watched by the men. Moreover they are morally bound and hence they carry out all the activities transparently without giving any room for criticism.

Elected women representatives have acquired skills which are totally different from those of men. This enriches the leadership qualities of the elected women representatives. Women representatives act upon common sense and they suggest practical solutions to problems. Whenever they speak to the higher officials they speak with exact details as otherwise they feel that they will not be listened out. They have patience and hence they are able to manage the crowd and the officials. While ana-

lyzing the skills of the women leaders one finds a distinctive pattern wherein they want to excel men in their performance. They build alliance with the media and NGOs for their effective functioning. The media has covered extensively the struggles and achievements of the women leaders. NGOs are extending their support to the activities of the elected women representatives. A large number of NGOs are working in the areas where women are leaders of the Gram Panchayats.

The women leaders are interested in breaking new ground. They are known for their pathbreaking activities. Rainwater harvesting was initiated long back in Tamil Nadu by Jesu Mary, a Gram Panchayati President of Michael Pattinam of Ramnathapuram District. The Government of Tamil Nadu issued an order for rainwater harvesting in all the houses only after two years. Likewise, to eradicate plastics, the Government of Tamil Nadu issued an order but could not withstand the opposing pressure and so later it was withdrawn. But K.Rayavaram Gram Panchayati President Ms.Rani Sathappan has successfully eradicated the use of polythene in her Panchayat area. In the same way in Kakkanur Gram Panchayat Ms.Sakaya Mary collected water charges from all families for water management. Ms.Ponnikailasam, the President of Annaikuppam Gram Panchayat of Thiruvavur District, formed a federation of elected women representatives to get the problems of the women leaders in Panchayats solved. She got a government order in this regard for a regular interface between government officials and the women leaders. After she formed the Association men formed their Associations. Now at all levels Associations have been formed. Before she did so nobody dreamt of such Associations and Federations.

Yet another striking factor among the women leaders is maintaining the secular character. A notable example is Jamruth Beevi of Devipattinam Gram Panchayat, who fulfilled a long felt need of the pilgrims who visit Rameswaram. An important shrine, a water pond, lies on the otherside of a water-logged stretch and the devotees had to cross the water to reach that pond. After a long struggle she constructed a bridge between the road and the shrine. It was appreciated by all the communities. In the same way she created a small tank for a Hindu temple which generated tremendous support from the Hindu families. She did several works in the Panchayat. But she did not consider all these works important. According to her perception, constructing a bridge to the holy shrine and providing a tank for the temple of the Hindus were her major achievements for which she got the support of all the communities. She has been the President of the Gram Panchayat consecutively for two terms with the support of all the communities. Those who instigated communal feud were defeated in the election. She said that she is of the opinion that communities are always secular and not communal. If the leaders are secular it is good for the society. Following the model of Jamruth Beevi, Noor Mohammed of Sarkaraikkottai Gram Panchayat helped the Hindu organizations to construct a temple in the Panchayat

area. Appreciating the enthusiasm and help rendered by the Panchayat President, his name was inscribed on the front elevation of the temple. A Musalman's name is inscribed on a Hindu temple! The President drew the support of all the communities in his Panchayat area. He is a model to many Panchayat leaders belonging to the Muslim community.

Women Panchayat leaders are not corrupt as it is evident from the studies conducted among the Gram Panchayat women Presidents. They are open and their activities are transparent. They give accounts periodically to the people through the Panchayat meetings and display the accounts on the notice board of the Panchayats. It is seen in the study conducted for PRIA that the women Panchayat leaders are always honest, as observed by the officials.

### Evaluation

From the above narration, the postulates formulated from the experience in the world have come to be formulated as hypotheses and they have to be tested in many provinces and a large number of empirical studies have to be conducted to test the hypotheses. The narration includes evidence to argue that the women leaders have joined together to promote the best practices developed by them in governance and development activities to other places and to make them successful. A variety of support structures have been created in different domains to extend support to the elected women representatives to continue their struggle to achieve efficiency in performing their duties and responsibilities. The elected women representatives face several inherent barriers. Their role on the uneven ground becomes difficult. Yet, in the context of the market-driven economy and rights based development, they assume several social responsibilities and perform their duties and responsibilities very effectively to the satisfaction of the communities. They are always open to learning. They enjoy learning and listening. When the needed support structure is provided they perform their duties perfectly. Their concentration and achievements are always at an appreciable level. When their achievements were appreciated by Secretaries of the government at a seminar held in Chennai, they developed the argument that if Panchayats are regarded as a service delivery mechanism, the entire system can be handed over to the women and everyone can then see the power of women leaders.

There is yet another argument that they picked up, namely, that in Tamil Nadu the Gram Panchayat election is not fought on party lines and hence individuals contest on their individual strength. In no way are they answerable to any political party. They are answerable only to the people. Hence women in Gram Panchayats perform well whereas in Block and District Panchayats they are in the hands of the political parties through their husbands or any other male of their family. When they deal

with government officials, they follow a different approach. Normally the accepted norms for bribery are not acceptable to women. Hence officials are reluctant to speak to the women leaders and they prefer to speak to their husbands or any other male of their families.

To project the issues of the women they formed alliances with SHGs and the media. It is unequivocal that women in India have been oriented to think like men. But proper orientation and discussion have now made them think differently. They project the women's issues gradually in public fora. Now it is not a difficult subject for public debate. Their conceptualization of development is different and all inclusive and more particularly it is relationship between human beings and nature. It is for men, women and nature.

They demonstrate their ability, credibility and accountability. Their actions are transparent. Their performance draws the attention of the public. Leaders have to enable the public for participation. Men militate but women tend to listen and discuss. Therefore the public have an interest in attending the Gram Sabha meetings as their views are considered. Women exhibit extraordinary skill in managing the Panchayats. In all adverse circumstances, they tend to work and produce results. It is a common belief that women act only from common sense and not on the basis of facts and data. This belief has been disproved. Before they go to any office they prepare themselves well with all necessary facts. Women leaders react to the policy discussions of the government then and there. Thus, they are pathfinders. Secular values are being upheld by the women leaders. They are above communal perceptions. They perceive that conflict cannot bring about prosperity and development. Hence they concentrate on communal harmony. They never entertain conflict among caste groups and religious groups. They work towards harmony. Thus the performance of Gram Panchayat women Presidents is influenced very much by the factors like capacity which they develop, skills they acquire, alliances they build, support from support structure, needed and adequate information and their work with the community.

### Conclusion

The elected women representatives consider the space which they occupy as a space for development. However illiterate they are, however backward they are, they want to achieve something in life when an opportunity is given. They tend to seek a support base for their activities, especially for increasing their efficiency and capability. They improve their skills constantly and their skill is used for managing the Panchayats. Issues of women and development are brought to the public for debate. They are open to learning and patient to listen. They convert challenges into opportunities. They assume responsibilities and attempt innovations. By their actions,

they create new contours of decentralization of powers. They build alliances to get support for their activities and to spread their innovations and achievements. They run the administration transparently and reduce corruption. They develop alternative governance to achieve development with the participation of the people. A new culture is being evolved and a new value profile is being evolved at the grassroots by the women leaders through their handling of powers. They are emerging models to be emulated. They have registered a striking difference in governing the grassroots institutions. Now the women federation leaders are voicing a demand that all Gram Panchayats should be reserved for women since, in Tamil Nadu, the Gram Panchayat is freed from political contest. All these observations are based on the study conducted in fifty two Gram Panchayats headed by women in Tamil Nadu spread over 28 districts.

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## The National Question and the Quest for Political Stability in Nigeria.

*Eghosa E Osaghae*

*Against the backdrop of a long history of political instability, state crisis and lack of national cohesion, this paper examines the nature of the national question in Nigeria, why it has proven to be a very difficult question to address, and the implications of these for the stability of the polity, defined operationally as the extent to which the survival of the Nigerian state can be assured. The paper argues that what is central to the national question or its resolution, is how to construct a national community or public sphere through which members of the various ethnic, religious and regional groups, classes and social categories can appropriate the state, negotiate and develop a sense of common ownership of the state, and, on that basis, seek common solutions to common problems. Democracy and federalism are identified as necessary elements in the resolution of the Nigerian problematique.*

### Introduction:

In Nigeria, like in most other post-colonial African states, the national question is articulated and analysed within the context of the anomalous composition, ownership and malfunctioning (or failure) of the post-colonial state. At the core of the national question is the extent to which the state is able to equitably accommodate the diverse and competing claims of peoples from various uneven groups who were forcibly incorporated into the present states by colonial conquerors.

Conventional wisdom relates the question mostly to the province of minorities (ethnic, racial, gender) and other marginalised, oppressed and dominated groups, but it is far more engaging in the post-colonial state where the object of the various struggles and contestations revolve around the dissolution of the imperial state. The impetus for this is that the state was created, and its boundaries carved, to serve the interests of erstwhile colonialists and their neo-colonial successors with scant regard for the wishes of the groups concerned. It is the absence of the social contract, which has historically attended the emergence of the modern nation-state and is necessary for legitimising the resulting state that is at the root of the national question in Africa

(Laasko & Olukoshi, 1996).

The state has not been appropriated by the vast majority of those to whom it supposedly belongs, who participated neither in its creation, nor in the working out of its purpose. In effect, the state retains an essentially imperial character, and is controlled in exclusionary zero-sum fashion by a coalition of dominant ethnic elites and international capital. The national question therefore has to do with the struggle to reconstruct the post-colonial state on the basis of a (new) social contract whose referents are self-determination, equity and justice in the ground rules of social co-existence.

Partly related to the imperial character of the state is the often violent and non-reconciliatory manner in which the national question is articulated by aggrieved groups, to such an extent that minor disputes with the state have the potential of calling into question the very basis of the state. In many cases, the articulation involves, not as recourse of last resort, violent confrontations with the state, threats of secession, and actual attempts at secession which lead to civil war. Nigeria has had a fair share of this, as evident in the attempted secession by Biafra, the Tiv riots of the 1960s, and the internal wars of the 1990s between the state and Niger Delta minorities.

The tendency towards violent articulation of the national question can be attributed to the authoritarian, exclusionary, unresponsive and corrupt regime of the post-colonial state which, for a long time, was built around one party or military rule. Under this regime, legitimate structures and outlets that ventilate national question issues, notably political parties, legislature, judiciary, independent media, and social movements, were either outrightly banned or weakened to a point of irrelevance. Scant regard for constitutionalism and the rule of law also greatly weakened the capacity to meaningfully address issues of social co-existence. All this implies that democratisation is a necessary condition for the historical process of resolving the national question.

The purpose of this paper is to critically examine the nature of the national question in Nigeria, why it has proven to be a very difficult question to address, and the implications of these for the stability of the polity, defined operationally as the extent to which the survival of the Nigerian state can be assured.

### The National Question: A (Re) Formulation:

The essence of the national question, from what has been said above, lies in how the creation of universal citizenship or a sense of common and equitable belongingness to

the state by all citizens irrespective of ethnicity, race, religion, region, or gender is historically arrived at (the dynamics of the complex process of resolving the national question means that it cannot be dealt with in a once-and-for-all fashion).

It is usually articulated in the form of a struggle by members of groups and categories that are marginalised, dominated, discriminated against, or excluded from power and state resources to have equitable inclusion and accommodation. The articulation can take on a variety of forms such as threat of or actual secession, or demands for local political autonomy and greater access to power and resources, depending on the origins and character of the state, as well as the level of development of productive forces. But whatever form the struggle may take, it tends to be justified and waged in the name of asserting the right of a group or collectivity, typically the rights to self-determination (Lenin, 1977; Nzongola-Ntalaja, 1987), language, culture and development, which are expected to ensure the survival, protection, and empowerment of members of the groups concerned. As Shivji (1989:71) correctly observes, "Seen as a means of struggle, 'right' is...not a standard granted as charity from above but as a standard around which people rally for struggle from below". Van Boven (1986) also characterises rights as instruments of liberation, and points out that the struggle to assert them is not only a legal matter but a political matter also.

The logic of the national question defines the individual's interests and opportunities in terms of those of the group to which he or she belongs. This makes collective or so-called people's rights or the right of nations, as they are called in human rights charters and covenants, the relevant human rights in national question discourse. For example, Article 20.1 of the African Charter on Human and Peoples' Rights of 1981 affirms the right of "all peoples" to "the unquestionable and inalienable right of self-determination". Collective rights, it should be stressed are not incompatible with individual rights<sup>2</sup>. For members of minority and disadvantaged groups especially, they provide a framework for the actualisation of the rights of the individual: "The autonomy of individuals is inconceivable without the autonomy of the collectivity" (Castoriadis, 1997; also An-Na'im, 1989).

Let us briefly examine some of the implications of the accent on group rights for the national question, beginning with the right to self-determination, which is the main instrument for problematising the national question. Is this right to be exercised within the state in which case the demand is for local autonomy and protection of language, cultural and religious rights, etc., or can it be meaningful only when it demands and results in secession or overthrow of the present state? Is the right to self-determination justified or still relevant after the erstwhile colonies, not minding their plurinational composition, had collectively asserted that right, acting, as it were, on behalf of all the groups?

In view of the forced manner in which contemporary African states were created, these are very pertinent questions, though the decision by the founding fathers of the erstwhile Organisation of African Unity to freeze the state boundaries inherited from the colonial period has encouraged ethno-nationalists to fight 'inwards' a la within-state self-determination. Even so, governments are very reluctant to grant any right to self-determination which is regarded as an invitation to dismemberment of the state or a recipe for instability. In Nigeria, the two forms of self-determination have been articulated, though the prevalence of within-state self-determination suggests that most groups in the country accept, at a minimum, the tenability - but not necessarily validity - of the present state. What is at issue is how power relations should be reconfigured to eradicate the structural imbalances and injustices of the state as presently constituted.

The other implication of the accent on groups, which is more difficult to handle, relates to the definition of the group. Given the multiplicity of identities available to, and assumed by individuals, there are several groups and categories of relevance to the construction of universal citizenship, in so far as they reflect unequal power relations. Thus, the mediation and equalisation of interests of gender, labour, the poor, classes, and other social categories are relevant to the national question, in addition to ethnic, religious, regional and racial groups. Nevertheless, it is the ethnic groups, as nationalities or nations that are, by definition, at the core of the national question. This is because their territoriality and nationalism make them claimants to rival statehood if possible, something that labour, gender and class categories cannot do (except where these are coterminous with nationality groups). The analysis in this paper is based on the centrality of the ethnic question to the national question.

Most analyses of the national question assume the existence of homogenous ethnic groups, with recognisable and possibly objective constitutive interests. But this is far from the reality of intra-group conflicts and contested identities which are sometimes more serious than those between groups. When references are made to the Yoruba demand for the right to self-determination in Nigeria, for instance, what exactly is meant? Is it what the Ijebu-Yoruba, Egba-Yoruba, Ijesha-Yoruba, Ekiti-Yoruba, or Ilaje-Yoruba, or even a section of Yoruba elites, for example traditional leaders, demand?

Even where these represent the preferences of the vast majority of members of the Yoruba group, how were these preferences arrived at, and who can legitimately be regarded as representing the interests of the Yoruba? It is very rare to find consensus within the group on matters of representation, which explains the claims and counter-claims to authenticity by several competing groups that made demands from the state

in the name of the group in Nigeria when the debate on the national question reached a crescendo in the 1990s. All these questions point to the need for more dynamic and discerning analyses of the national question. We should be reminded that groups do not have permanent, unchanging interests or representatives, and that the national question is complicated by such dynamics.

But while they complicate the national question, the dynamics do not invalidate one other fundamental assumption of national question analysis, which is the realness of the ethnic group, ethnic identity, and ethnic nationalism. Put differently, the ethnic differences which need equitable accommodation are fundamental and not transient or invented differences. It is now widely acknowledged that, contrary to old conventional wisdom, ethnic identities are not simply a relic of the past that obdurately refuse to disappear, and do not become less politically troubling with modernisation. It does not really matter what we say - that the ethnic nation is a figment of the imagination or that it is a product of elite begotten ideology - the point is that there are concrete ethnic interests and demands built around the right of self-determination that need to be addressed in plurinational states. As Hendricks (1997:104) argues, "Ethnicity is used by the dominant and the subjugated constituents of the state as both a means of domination and resistance" (also Osaghae, 1991). It is significant that despite the rejection of ethnic consciousness as false consciousness by Marxist scholars, national question concerns were first raised, and continue to be raised, by them (cf. Stalin, 1913).

Let us now turn to explicating further on the concept of the national question and its bearing on political stability. For many analysts, particularly those of the nation-building persuasion, the national question in Africa is a state problematic. This perspective is correct to the extent that (i) the state emerged long before concern with transformation into a nation was conceived; (ii) at independence the state was taken over by supposedly nationalist coalitions; (iii) the state ensures economic integration and complementarity, and creates the legal order without which no meaningful attempt can be made to deal with the national question; and (iv) the state is the repository of rights which as stated earlier are the major weapons in the struggle to resolve the national question.

But the state-centred perspective of nation-building sketched above is flawed. The entire thesis rests on a presumed neutrality of the state which falls flat in the face of capture of the state by ethnic hegemony and their global capitalist patrons. It also "denies the possibility of a multi-cultural state, thereby justifying governmental action to accelerate the process of cultural assimilation" - or in fact annihilation (An-Na'im, 1989). Indeed, what has taken place in most African states since colonial times in the name of effecting national unity is the forced assimilation of cultures and

languages into those of dominant groups. Wamba dia Wamba (1989:61) is therefore right in accusing the statist perspective of undermining the perspective of the non-elites, rationalising bureaucratic centralisation and therefore one party and military rule, and oversimplifying the basis of national cohesion which "is reduced to its phenomenal expressions: cultural unity, territorial unity, linguistic unity, 'one class-less community'...etc".

The point that is missed in all this is that the reconstruction of the post-colonial state is the very object of the national question in terms of the necessity for a new social contract, and, that given its other anomalies such as its capture by ethnic hegemonists and the enormous contradictions it suffers from<sup>3</sup>, the imperial state in Africa is not in a position to unilaterally deal with the question. As I see it, what is central to the national question or its resolution, is how to construct a national community or public sphere through which members of the various ethnic, religious and regional groups, classes and social categories can appropriate the state, negotiate and develop a sense of common ownership of the state, and, on that basis, seek common solutions to common problems.

A national community does not exist simply because the state pursues an ethnic arithmetic formula such as the federal character principle in Nigeria whose goal is elite accommodation, or because the state imposes a or a so-called national culture which invariably reflects the dominance of ethnic hegemonists, or because citizens are compelled to subscribe to symbolic national rituals or belong to the dominant party. These may satisfy elite craving for material reproduction in the short run, and engender a 'national consciousness' in the long run, but to the extent that they aim at consolidating rather than reconstituting the imperial state, they cannot satisfy the imperatives of the national question.

A national community exists when people (and not just elites as consociational theorists insist) from different groups and social categories cultivate common values, goals, consensus, and the norms of reciprocity, and are united on this basis to demand accountability and equitable inclusion from the state. This is the glue that is capable of holding the post-colonial state together, not those of colonial conquest and domination or one party/military authoritarianism, which have demonstrably provoked and exacerbated contested citizenship and other serious political conflicts.

This is partly because the theory of conflict resolution that underlies attempts to resolve the national question, assumes the existence of a minimum agreement on values. It is also assumed that, because they have a stake in the preservation of peaceful coexistence, it is to the mutual benefit of conflicting groups that the conflict be resolved. In the absence of such middle ground, the parties would prefer to go their

separate ways. According to Castoriadis (1997:15), "Ontological analysis shows that no society can exist without a more or less certain definition of shared substantive values, common social goods"<sup>4</sup>. Where common outlook and consensus are absent therefore, there is a tendency for every major dispute to directly threaten the very basis of the state, and ultimately, the state is unlikely to be able to withstand serious stresses.

A situation, such as the one that exists in Nigeria, where powerful ethnic interests believe they can go it alone without the state (in other words that they would be better off if they had their own separate states), and where individuals and groups pursue agenda whose objective is to make them autonomous not only of the state but also society, is not conducive to (it actually hampers) the emergence of a national community. Such a situation encourages the sectional capture of institutions such as the press and labour organisations which are capable of counteracting centrifugal pressures, but which then come to be perceived as ethnic holdings. It also encourages a national cake sharing attitude toward the state, one that reduces the stakes of belonging to the state to opportunistic patronage and clientelism.

It is precisely because of the underdevelopment of a national community, and the consequent underdevelopment of a cross-cutting community of interests, features which Hyden (1980) attributes to the prevalence of the economy of affection because large segments of the citizenry remain uncaptured by forces of the modern capitalist sector, that the national question is so troubling in African states like Nigeria. The creation of this community was not part of the agenda of the colonial state, whose importation from metropolitan Europe was bereft of any notion of nationhood. Given the contradictions between the forces of imperialism and nationalism, it was certainly not in the interest of the colonial enterprise to encourage the creation of a national community. To this end, the public space was emasculated, and powerful national associations and movements such as labour unions and local chambers of commerce which had potential for building national communities were repressed. Indeed, colonial regimes everywhere pursued divisionist policies that involved the ranking of ethnic groups. Ranking took the form of reservation of privileges for members of some groups (as in the warrior tribe policy of recruitment into the police and army) and the treatment of members of others as second-class citizens. Citizenship, which is a necessary condition for the existence of the modern state and therefore of national community, was also problematic. Only a tiny proportion of the people in the colonies (evolues, assimilados) were regarded as citizens; all the others were subjects without rights, even to welfare and development in their "own" country (cf. Mamdani, 1996). It was under these conditions that parallel or shadow state structures, principally voluntary ethnic improvement unions, which constitute the primordial public identified by Ekeh (1975) evolved to meet the needs neglected by

the authorities. Although their production of public goods through self-help efforts was positive, the overall effect of the operation of the primordial public constituents was to encourage members of the various groups to work singly rather than in concert with others, thereby weakening the bonds of togetherness and decelerating the emergence of national community. The fact that the primordial public was located in the urban areas further cut short the benefits of cosmopolitan orientations and cross-cutting affinities which are inherent in the urbanisation process. The rising profiles and increased importance of primordial associations in the development process of the post-independence period is one of the indicators that the *raison d'être* of the post-colonial state is not fundamentally different from that of the colonial state.

Post-independence efforts at correcting the ills of the colonial period with regard to building a national community have not yielded much dividend. One of the reasons for this lies in the non-democratic and exclusionary character of the state which assumed total and absolute responsibility for forging national cohesion (in most cases the colonial authorities simply transferred power to their favourite groups and stoutly defended their hold on power afterwards). Like its colonial forebear, the post-colonial state has been repressive of labour, student, youth, and women's organisations, independent media and social movements which enjoy mass nation-wide appeal (these are dubbed opposition), while at the same time encouraging and actively supporting primordial associations.

Another reason is that the state placed greater emphasis on the symbolisms of (abstract) national unity - formal ethnic arithmetic formulas, father of the nation figures, lingua franca, ideological mobilisation, and the like - rather than on addressing issues of equitable social co-existence. Rather than legitimising their claims to power this way, that is by dissolving or reconstructing the colonial state, managers of the post-colonial state have sought to consolidate it in collaboration with international capital, thereby scuttling the process of liberating and appropriating the state (Wamba dia Wamba, 1989; Ake, 1994; Laasko & Olukoshi, 1996). The state remains, therefore, an alien and abstract entity for most ordinary people, a situation that gives rise to opportunistic dominance by the elite and fosters contested citizenship.

The greater responsibility for the creation of an enduring national community clearly belongs to civil society, especially as some degree of voluntariness rather than coercion is assumed. This is the point made by advocates of the sovereign national conference approach in Nigeria who, following the examples of Benin and a few other Francophone African countries, believe that a proper social contract cannot be engendered by a state-led process. However, and notwithstanding the point made earlier that the state is not in a position to resolve the national question, its facilitative roles in the process, some of which were outlined above, are crucial to the resolution.

One of these which bears repeating is that as the sovereign authority within a given territory, the state provides the legal order or system of laws without which a national society cannot thrive.

In any case, it is the state that is ultimately the object of the national question - it is articulated as a struggle against the state, and the question is resolvable only when the state becomes reflective of the plurality of the national community and responsive to the demands for just and equitable treatment by members of down-trodden and oppressed groups. This calls for a healthy intercourse between state and civil society because civil society needs the state, just as the state needs civil society. One cannot be substituted for the other, nor can it function properly without the other. Thus, while the superior capacity of civil society to forge a national community cannot be denied, it has been argued that "precisely because of its pluralism, and its lack of a guiding centre, a fully democratic civil society would be endangered permanently by poor coordination, niggardliness and open conflict" (Keane, 1988:22). This is probably why Weber (1977) insists that order and discipline are key elements in the construction of national identity. To this extent, the role of the state should not be seen as an unfortunate limit on free civil society because "sovereign state power is an indispensable condition for the democratisation of society" (Keane, *ibid*). The last word on this will be that the emergence of a national community makes it less difficult for the state to tackle the national question in part because the community provides an enduring basis for legitimacy.

As was pointed out long ago, a national community "provides a constituency for government effectively ruling...a group and receiving from that group the acclamation which legitimises the government" (Friedrich, 1966:31). It is the underdevelopment of national societies that underpins the tendency on the part of aggrieved groups to be suspicious of state actions and inactions, and to habitually contest its interventions on matters of social coexistence. That is what has so far made political instability endemic to the post-colonial state.

### **The National Question in Nigeria:**

In this section, a historical profile of the nature and scope of the national question in Nigeria is sketched, against which background an analysis of the problematics of the attempts that have been made to address the question within the framework of federalism is undertaken.

### **Nature and Scope of the Problem:**

Like other states in Africa, the arbitrary manner in which state boundaries were de-

termined by the British colonisers, the forcible incorporation of over 400 unequal, unevenly developed and conflicting ethnic groups into the state without regard to the rights of these groups to self-determination<sup>5</sup>, the underdevelopment of a national community, and the exclusionary and non-democratic character of the state, are at the roots of the national question in Nigeria. The national question is therefore as old as the Nigerian state itself (some would say it is endemic to Nigerian statehood).

Momentous assertions by prominent political elites over the years, to the effect that the Nigerian state is a forced and problematic union, sum up the whole point. In 1953, Sir Ahmadu Bello, in response to the uncompromising attitude of fast-lane southern politicians in the House of Representatives on the self-government in 1956 motion remarked that the "mistake of 1914" (when the Nigerian state was formally born following the amalgamation of the Northern and Southern parts of the country) had come to light. Earlier, in 1947, Chief Obafemi Awolowo wrote: "Nigeria is not a nation...it is a mere geographical expression". Several years after, in the crisis-ridden periods of the 1960s and 1990s, similar statements were made by leaders of aggrieved dominated and oppressed groups, to the effect that, as Alfred Ilenre, secretary of the Ethnic Minority Rights Organisation of Africa puts it, "Nigeria is an unworkable entity" (interview in Tell Magazine, Lagos Nigeria, March 1 1999, p. 30). Ilenre summarised what had become the perspective of the aggrieved groups in the country, especially those of the south west Yoruba and the Niger Delta minorities when he argued that only a restructured federation negotiated by representatives of the nationalities could salvage the country "because the present structure cannot assist to develop stability".

Disaffections and grievances over Nigerian statehood have not been articulated only at the level of statements however. The country's political history is replete with separatist agitations, threats of secession and actual attempts at secession, which constitute redressive mechanisms for aggrieved groups. Tamuno (1970) records that perhaps the earliest separatist agitation came in the form of opposition by Northern Emirs and colonial officials to the amalgamation of the North and South in 1914. In 1950, at the Ibadan General Conference, Northern delegates led by the Emir of Zaria threatened to ask for "separation from the rest of the country" if their region's demand for 50 per cent of the central legislative seats was not granted. In 1953, the Northern political elites proposed a loose association of the country's unevenly developed regions if the southerners continued to insist on 'self-government in 1956' rather than 'as soon as possible'. That same year, the Western region under Chief Awolowo threatened to secede if the colony of Lagos was not made a part of the region. The ethnic minorities in the regions also sought to actualise their right to self-determination by demanding separate states to liberate them from the internal colonialism of the ethnic giants (for a brilliant analysis of the internal colonialism thesis

in relation to majority-minority relations in Northern Nigeria, see Logams, 2004).

The Willink Commission that was set up in 1956 to enquire into the plight (or fears, as it was put) of the minorities acknowledged that there were genuine fears of domination, discrimination and neglect, but rejected the view that only the creation of separate states could solve their problems. Rather, the solution lay in the democratic processes of bargain and reciprocity. As I have argued elsewhere, the commission's mistaken definition of the minorities' problem as a fleeting political problem lay the grounds for the poor management of minority problems in later years (Osaghae, 1986, 1998).

These instances set the pattern for the articulation of the national question after independence when competition for power and resources became far more fierce and zero-sum with the inevitable ascendancy of the forces of centralisation. As the situation got more desperate and fears of domination - by Southerners of the numerically preponderant Northern region whose leaders made capital of the advantages of size, and by minorities of the major groups (Hausa/Fulani, Yoruba and Igbo) - became real, so the recourse to more violent and direct confrontations with the state increased, especially as the state became more hegemonic and authoritarian.

This was the background to the attempted secession by the Igbo of the Eastern region which led to the civil war of 1967-70; the declaration of the short-lived Niger Delta Republic by Isaac Adaka Boro and his Ijaw associates in 1967, and the Republic of Benin in the same year by Western Igbo minority officers who cashed in on the civil war to oppose mainstream Igbo domination; and the riots of the 1960s by the Tiv who sought separation from the Northern region in the 1960s. In recent times, there have been violent uprisings and secessionist threats by the Yorubas of the old Western region and Niger Delta minorities, notably the Ijaw, Ogoni, Isoko and Urhobo whose demands include greater political autonomy and a more equitable redistribution of national wealth to compensate them for the burden and hazard of bearing the oil from which the country derives the bulk of its wealth.

The intensification of violent strategies did not however eclipse peaceful strategies for articulating and attempting to resolve the national question. Certainly the most notable strategy in this regard was the demand for the adoption of confederal or loose federal arrangements. The confederation debate, whose main protagonists were Yoruba political leaders like Olu Aboderin, Theophilus Benson, Olabisi Onabanjo and Benjamin Adekunle opposed to what Onabanjo called the 'rapacious ambition' of a (Northern) cabal of native imperialism to lord it over the rest of the country, dominated the political scene in the 1980s (Osaghae, 1990).

The debate resurfaced with renewed verve in the second half of the 1990s with the clamour for a restructuring of the federation to allow reassert the autonomy of constituent units by aggrieved Southern leaders especially who saw in a 'true' (con)federation the only antidote to so-called Northern domination and other imbalances and anomalies of the problematic Nigerian union, including the injustice of marginalising and impoverishing the Niger Delta minorities from whose lands the country's oil wealth is derived. Most of the advocates of federal restructuring believed this could only be genuinely done by the convocation of a sovereign national conference where representatives of the various nationalities and social groups in the country would determine through bargain and negotiation the basis for the continued existence of the Nigerian state. This was to be the new social contract.

Briefly then, the national question in Nigeria is about contested citizenship deriving from structural inequalities among the various groups that compose the country, in terms of access to and holdership of state power, as well as the (re)distribution of national resources. The inequalities are well entrenched, not just in size and resources, but also in the policies of uneven regional development pursued since colonial times and consolidated in the post-independence period. Yet, for all that, national question articulations remain a largely elite preoccupation, and one would not be too off mark to regard it as an elite problematic, as long as this does not amount to a dismissal of ethnic interests and rights as fictitious. The reduction of the national question to calculations of who occupies which office in the federal government, who is minister of defence, governor of the central bank, comptroller general of the customs, and to who gets promoted or procures choice government contracts or *juju* men for the head of state, amply reflects the elite hold on the subject.

The crass opportunism of elite behaviour is a major impediment to the emergence of a genuine national community, but a far more serious problem is that elite manipulation of the national question has become a diversionary subterfuge, and this has so far prevented meaningful resolution of the question. Thus, elite accommodation and equity through balancing formulas like quota system and the federal character principle have gone a long way in satisfying personal ambitions, but they have had little or no effect on the groups they claim to represent. For instance, although Northern elites have had more than a fair share of plum government positions, contracts and wealth, the Northern parts of the country remain the least developed and most impoverished. The same can be said in less dramatic ways of the Niger Delta whose elites have benefited from patronage by the state and oil companies. The elite bias in the articulation of the national question tends to underestimate the high degree of economic complementarity and integration as well as that of social integration at the non-elite level.

It is partly the latter factors that explain why, in spite of the frequent threats of secession, elite fractionalisation, violent succession to power especially by the military, exclusionary control and use of state power, political and economic mismanagement, intemperate and uncompromising language and positions of aggrieved groups, and vehement opposition to the state, all of which make the country one of the most divided in Africa and raise doubts about its continued survival, Nigeria has survived for as long as it has done, even surviving a bloody civil war, and seems set to survive for much longer. The trend has been that articulations of the national question that involve mass mobilisation of ethnic interests (Biafra, Ogoni under the leadership of MOSOP, and Ijaw uprising of the late 1990s) tend to be more threatening to the state than those that remained at the level elite disagreement. While the former struggle has been waged in the battle field of violent demonstrations, guerrilla warfare, and defiance, the latter has tended to be abstractly legalistic, moralistic and compromising.

#### Addressing the National Question within the Framework of the Federal Solution:

How do we account for Nigeria's relative resilience as a state, and its ability to somehow manage to overcome the threats to its corporate existence? The main explanation, in my view, lies in the framework of federalism or, better still, the federal solution, which was adopted largely in response to the imperative of the national question. According to Busia (1967:115),

The federal structure was designed as a means of containing the minority groups, and of ensuring that the dominant ethnic groups, the Hausa-Fulani in the North, the Yoruba in the West, and the Ibo in the East would cooperate towards national unity and the creation of a stable state.

Although there is valid ground for arguing that the federal structure was forced or imposed by the British (if nothing else, the fact of colonialism is enough to justify the imposition thesis), it is no less true that the federation that was worked out beginning from 1947 when so-called nationalists from the North and South met together for the first time since the amalgamation of 1914, was one that Nigerians themselves bargained and negotiated, especially in view of the consensus among them that federalism was the most viable arrangement for keeping the country together.

At least the 1954 constitution (and those of 1960 and 1963 as well) reflected the wishes of the regional elites and the constellation of political forces at the time, as articulated at the Ibadan General Conference of 1950, and the constitutional conferences of 1953, 1954, 1957 and 1958. Dudley (1966) argues that the elites were at-

tracted to the 'Whearean' model of dual federalism which they saw as guaranteeing maximum regional autonomy, fiscal equality and self-sufficiency. The arrangement did not however satisfy the yearnings of the minorities who opposed strong regional autonomy and demanded their own states (in the aftermath of the Willink commission report, a cumbersome procedure for creation of new states, which was aimed at preventing the creation of any state, was enshrined in the constitution) but again, this was a reflection of extant power relations, as they were at the time. It is not for nothing that, as Busia puts it, the federal structure was designed to contain the minority groups (while accommodating the majority groups).

The minorities question showed that the national question was not simply a federal-level problem; it was much more complicated, and had important intra-regional dimensions as well. Even among the minorities themselves, there were and continue to be serious problems of inequality, domination and oppression. This is why treatments of the national question which reduce it to balancing the interests of the big three ethnic groups - Hausa/Fulani, Igbo and Yoruba - and the regions they represent (North, East and West respectively), are as simplistic as they are misleading. Such treatment underplays the fact that, despite their hegemonic outlooks, regional and ethnic identities are contested.

The minorities question was however only one of the serious structural problems that beset the federal solution from the very beginning. Another was the entrenchment of the Northern region, under the leadership of conservative elites, as politically superior to all other parts of the country. This owed as much to the anomaly of the federal structure which had the region larger in size and population than the southern regions put together, as it did to the deliberate design of ethnic ranking by the British colonialists<sup>6</sup>.

The ostensible ground for the special treatment of the North was that because of its relative underdevelopment and geo-political disadvantages (being land-locked and less materially endowed), the region had to be protected from domination by the more advanced South. This established the non-negotiables without which the region was (and remains) unlikely to remain in the federation: the region had to either retain some kind of veto power to counteract Southern power and advantages<sup>7</sup>, or it had to control political power. These non-negotiables have constrained the capacity of the federal system to address the national question, and underlies the constant intervention by the military which up until the recent past seemed to have been aimed at ensuring that the Northern advantages are preserved (they are less likely to be in a democratic setting).

The other major structural problem that afflicted the federal solution was regional-

ism and later statism which involved making the enjoyment of rights, privileges and other benefits of citizenship exclusive to so-called indigenes (sons of the soil) of the region or state. The fact that resident non-indigenes performed their duties, such as paying taxes, in the regions, did not entitle them to rights. This structural discrimination reinforced extant inequalities and mistrust among members of the different groups, and contributed to the underdevelopment of a national community. The other dimension to regionalism was the separatist and rivalrous relations among the regions, and between them and the federal government. They seemed to have so little in common besides what each region could immediately get from the federation that Dudley (1973) has likened their relations to those among different states in a primitive international system. It was this orientation that accentuated national question issues with the ascendancy of the forces of centralisation and greater economic integration, which contradicted those of erstwhile non-centralisation, after independence.

Despite the imperfections and travails of the federal system (Suberu, 1993) which led the ostensibly highly nationalistic military government of General Abacha to attempt to abrogate it in 1998, and informed the clamour for restructuring along largely confederal lines, it no doubt provided a framework for keeping the divided country together and addressing national question issues. Its overall promise is a multiplicity of power centres which provides an expansive scope for power sharing and accommodation of competing interests, as well as the equitable treatment of all groups, small and big alike. We shall briefly examine the policies and instrumentalities of a consociational flavour (Onyeoziri, 1989; Williams, 1992; Nmoma, 1995) that have been introduced over the years to enhance the federal solution in Nigeria, and the factors that have hindered their efficacy.

Chief amongst these is the creation of more states which saw the number of states increase from three regions in 1960 to four regions in 1963, twelve states in 1967, nineteen in 1976, twenty-one in 1987, thirty in 1991, and thirty-six in 1996. Local government councils, whose legislative and fiscal powers were expanded by successive military governments in the 1980s and 1990s, were created for groups that could not have separate states mainly on account of small size. Originally, the rationale for creating new states (and local government councils) included upholding the right of groups, especially minority groups, to self-determination, (not minding that plebiscites were never held to ascertain what the Irikefe Panel on states creation called the wishes of the people), balancing the federation and the development of its component parts, and bringing government nearer to the people.

But with the bastardisation of the federal system due to overcentralisation of power under prolonged military rule and the relegation of states and local governments to mere outlets for federal patronage and revenue sharing rather than constituent units

of a federation, subsequent states creation exercises, especially beginning from 1987, were mostly aimed at buying support for illegitimate military governments. The result of this unhealthy development was the multiplication of demands for new states and local governments by groups whose sole desire was to optimise the material benefits of belonging to the federation. This was the exact opposite of the 1950s and 1960s when new regions were demanded for the purpose of giving the groups concerned extensive control over their own destiny.

Other key instrumentalities included, firstly, the quota system and federal character principle which sought to promote national belongingness by ensuring that the composition of government departments and agencies, including educational institutions and the military, were reflective of the diversity or federal character of the polity at the federal, state and local levels. This ethnic arithmetic formula was basically aimed at setting the ground rules for non-zero-sum elite competition, but over time, it engendered a culture of entitlement in line with the faulty cake sharing approach to addressing the national question:

The 'federal character' concept has encouraged many Nigerians to view federalism not as a principle of non-centralised democratic government, but as simply a guarantee of ethnic and religious group representation in the institutions of government, no matter how centralised. Thinking federally and dispersing and sharing power accordingly among a multiplicity of governmental and nongovernmental institutions are thereby frustrated by a principle of power sharing that is simultaneously divisive and hierarchical (Adamolekun & Kincaid, 1991:178).

This, as was argued in the earlier section, hinders the creation of a genuine national community. It also helps to explain why the state of the economy has a direct consequence on the intensity of national question contestations. The national question tends to be less troubling when there is material boom and enough to go round, and more troubling when there is economic recession, declining resources and scarcity. As we analyse below, the exacerbation of national question contestations in the 1990s, is partly explicable in these terms.

Another area where efforts have been made to enhance the viability of the federal solution but which, like the others over time became a two-edged sword, is the system of revenue and resource sharing among the tiers of government. This system has undergone constant review and change, involving the setting up of several revenue allocation commissions (a total of eight commissions were set up between 1946 and 1979, but after then, the creation of a permanent fiscal commission in 1988 reduced the need for commissions) in the bid to balance the imperatives of equity, need, and even development. Yet, the system has remained one of the sore points of Nigerian

federalism, with endless complaints of injustice.

The more recent grievances were those of the minorities of the oil-rich Niger Delta who demanded adequate compensation for the hazards of oil exploration and production (gas flaring, spillages, pollution, loss of farmlands and fishing waters, etc) and greater emphasis on the derivation principle by which constituent units are allocated revenue in proportion to their contribution to national wealth. The minorities had a strong point because in the 1950s and 1960s when the bulk of the wealth was derived from the agricultural commodities produced by the major ethnic groups in the powerful regions, the regions not only exercised a relatively large measure of control over the resources (through the commodity marketing boards), but also enjoyed greater shares of the federation's revenue under the principle of derivation.

With oil, it was different. The federal government took over complete and absolute control of the sector, including the collection of rents and royalties<sup>8</sup>, and virtually abandoned the derivation principle in favour of the principles of equality of states, population and need. The minorities see this as part of the overall maltreatment of minorities as second-class groups by the state, and allege that the wealth derived from their lands have been used to develop the areas belonging to the majority groups whose elites have also been the greatest beneficiaries of oil wealth. In the throes of the increased immiseration of the 1980s and 1990s, the Niger Delta minorities, took unprecedented steps in the 1980s and 1990s to seek redress and justice.

These included demands for renegotiated agreements with the oil majors, as existing agreements did not adequately factor in the interests of the oil-bearing areas; direct confrontation with state forces; and disruption of oil exploration and production activities through sabotage, sacking of oil wells, hostage taking of oil sector workers, and so on. Once again, the heightening of national question concerns in the area of revenue sharing was due largely to the increased centralisation of power in the federation, a process which saw the steady erosion of the fiscal powers of state and local governments to the federal government, and their subsequent subordination in an imperial-type set-up.

In sum, the capacity of the federal solution to provide a viable framework for addressing the national question has been greatly weakened. This has been accentuated by the bastardisation of the federal system under prolonged military rule. Basically, the logic of military organisation embodied in the principles of unity of command, centralisation, and hierarchical authority, not to mention the undemocratic anchor of all this, contradicted that of federalism which hinges on a balance between centralisation and non-centralisation, power sharing and dispersal. Moreover, in the name of ensuring greater national cohesion, successive military governments de-

stroyed such basic elements of federalism as the non-centralisable powers enjoyed by the constituent units in their spheres of competence, fiscal autonomy, independent revenue base and control over resources, which make it a valuable system of accommodative politics. By virtue of its over-centralisation of power and ultra-authoritarianism, military rule heightened concern with control of the (central) state, thereby raising the stakes of the national question.

### The Accentuation of the National Question and A Prognosis:

Events of the 1980s and 1990s suggested that the celebration of Nigeria's supposedly successful management of the politics of accommodation in the post-civil war period (cf. Dent, 1989; Barongo, 1989) and the projection of this success as a show case for other divided societies (cf. Osaghae, 1995a), were premature. The national question was far from being resolved, and the continued survival of the state appeared more fragile than ever before.

The events of the turbulent years included the uprising of the Niger Delta minorities against the state in their quest for resource redistribution and greater political autonomy; a phenomenal rise in ethnic and religious conflicts, notably those between Tiv and Jukun, Hausa and Zango-Kataf, Urhobo, Itsekiri and Ijaw, Ilaje and Arogbo-Ijaw, and between Christians and Muslims, especially in the north, which provoked fierce debates over the secularity of the Nigerian state (Suberu, 1996); the lingering crisis of democratisation, whose high point was the annulment of the presidential election of 12 June 1993 in the aftermath of which came demands for a sovereign national conference and restructuring of the federation along confederal lines; and the unprecedented levels of economic decay and military dictatorship.

Various attempts have been made to explain the deepening of the crisis of the national question. These include economic recession, increased immiseration and the contradictory pulls of structural adjustment (Olukoshi, 1991; Olukoshi & Ogbu, 1996; Ihonvbere, 1993; Adekanye, 1995; Osaghae, 1995b); mal-governance and the bastardisation of the federal system (Suberu, 1993); the deepening crisis of the state which has pushed it to the point of irrelevance in the search for nationhood (Ihonvbere, 1994); and democratisation which in the first place gives voice to, legitimises the demands of previously repressed groups and strengthens civil society, and whose protracted failures have sharpened the contradictions of the Nigerian state and necessitated a restructuring of the federation<sup>9</sup> (Mustapha, 1992; Osaghae, 1992, 1994).

The explanations offered by these perspectives complement each other but, in addition, the point made in this paper is that the existence or development of a national community would have served as a useful shock absorber to ameliorate the divisive consequences of these factors. Instability might be endemic to divided societies as

several studies have shown, but the degree of instability tends to be far higher where there is no centre, that is, a national community, to hold the state together.

Some might disagree with this line of reasoning by saying that it is too skewed in favour of retaining the Nigerian state as presently composed, by all means. In other words, separation, dismemberment or disintegration, should also be considered as possible and peaceful ways of addressing the national question. I do not deny that possibility, and the argument is not that the Nigerian state is a given that must be saved at all costs. Rather, I believe that, with a federal system and the great potential for creating a national community, the Nigerian state has the capacity to resolve the national question and to survive. Part of the problem, as I pointed out in the previous section, is that the elite bias in the dominant approaches to addressing the national question glosses over the countervailing forces of social and economic integration and complementarity at the non-elite level. Any attempt to address the national question which can only be meaningful in a context of democracy has to take cognisance of this fact.

One can understand the strong sentiments in favour of confederal restructuring including, as some demand, the regionalisation of the military whose rule became an obstacle to the resolution of the national question. But it should be remembered that notwithstanding the interest-begotten motivations involved, the nation-centred federalism (?) pursued by successive military administrations was largely a reaction to the divisive effects of the old region-centred federation which ultimately led to civil war, and was applauded for a long time as such. Indeed, it is significant that the major policies aimed at enhancing the viability of the federal solution - creation of states, strengthening of local government, the federal character principle, etc. - were introduced by military regimes, though it can be argued that these would not have been necessary if government was not over-centralised in the first place and, in any case, that they have had the unintended consequences of heightening the national question.

### Conclusion:

The point really is that federalism is a dynamic system of government whose instrumentalities are expected to change as the circumstances and demands of the political society change. So, if a return to region (or state)-centred federation is what can ensure equity and justice without which federalism itself can become a system of entrenched domination, it is perfectly within the ambit of federalism to effect changes in this direction. The convocation of a sovereign national conference might even be the most realistic way to go, but such a conference must involve not only leaders of nationalities, but also those of institutions and organisations with mass and national

following, because centrifugal pressures are not the only forces at play in the country, although they might appear dominant; there are strong centripetal pressures as well.

Already, there is a fledgling coalition of democratic forces (civil rights organisations, minority ethnic movements, the independent media, labour, students, and women's organisations, etc) that was forced by the struggle to overthrow the military. This has to be consolidated as the driving force for restructuring and creating a new social contract. In conclusion, I should repeat that without a national community, whatever measures are introduced to address the national question are not likely to enjoy the legitimacy they require to subsist. A sovereign national conference ought therefore to address how this can be done as a precondition for restructuring.

### End Notes:

\*The research on which this paper based was supported by a writing grant by the John D. and Catherine T. MacArthur Foundation.

1. The resulting absence of a collective sense of ownership, especially on the part of those who are dominated, oppressed and marginalised, denies the laws of the state the necessary legitimation based on the consent of the governed, for as one author has recently argued, "I can be free under the law only if I can say that this law is mine, only if I had the effective possibility to participate in its formation and its positing (even if my preferences did not prevail)" (Castoriadis, 1997:5).

2. The notion of group rights has raised a huge debate, with some critics arguing that they are incompatible with individual rights and others that there can be no such thing as group rights. We shall not enter into this debate here. It suffices to say that, as I have argued elsewhere, group rights are rights which belong to the group and cannot be substituted for by individual rights (Osaghae, 1996).

3. The contradictions include those between political control and economic power, autonomising nationalist forces and dependency-deepening imperialist forces, and between centripetal and centrifugal forces.

4. He adds that "the question of the common good belongs to the domain of social/historical making/doing...not to theory".

5. Although national question struggles have revolved around the right to self-determination, that right has not been overtly insisted upon in Nigeria, the way the Afrikaners in post-apartheid South Africa, for example, have. The Ogoni Bill of

Rights (1990) contained one of the most direct demands for this right. The non-insistence would suggest that, for the most part, most groups in the country believe the self-determination asserted by the country as a whole at independence is sufficient. One notable exception was the plebiscite held in 1961 in which people of Southern Cameroon whose territory had been governed under the trusteeship of the British, voted to re-join their kith and kin in Cameroon.

6. That design began with Lugard's infamous pact with the Emir's to shield the muslim areas under their control from the forces of Westernisation (the creation of sabon gari or strangers quarters in Northern cities was one of the policy instruments for this), and the subsequent decision to impose Fulani overlords on so-called pagan parts of the north, and the Native authority system modelled along the lines of the emirates on other parts of the country. Other deliberate acts to prop up the North included the attitudes of colonial officials in the North who at a stage threatened secession if the North was not allowed to develop separately; the warrior tribe policy of recruitment into the army which favoured Northern groups; the unwillingness to create new states for minorities so as to keep the structural advantage enjoyed by the North intact (Robertson, 1974); and the invitation to the Northern party, the Northern People's Congress, to form a government before the results of the crucial 1959 elections were known, making the party the most favoured partner to any post-independence winning coalition (Dudley, 1973).

7. The allocation of over half of the parliamentary seats to the region in the First Republic, the higher number of states in the north, and virtual control of the military, amongst others, are to be seen in this light.

8. Many commentators attribute this to the land use decree enacted in 1978 which gave the state the right to all land.

9. Mustapha (1992) has summarised the overlapping contradictions as including those between nationalism and imperialism, among the three major ethnic groups, between them and the minorities, among the minorities, among the states in the federation, and within the various ethnic and religious groups.

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## Reservation Policy: Continuity and Change

*Jagannath Ambagudia*

*The constitution of India envisages all round development of the Scheduled Castes (SCs) and the Scheduled Tribes (STs) in particular. However, the condition of these communities has not improved to the desirable extent since independence. So, continuing reservation policy along with different developmental policies is one of the important measures to promote equality among the SC/ST community. As a result, the SC/ST legislators are consistently supporting the enactment aimed towards the reduction of inequality and poverty among them in the present society. Over the time, this provision has become more controversial. The UPA government's coming to power once again brings the reservation debate in the center stage. So, the present paper looks at the constitutional provisions, criteria under which the beneficiary groups have been identified, the stands of both defenders and critics, and significantly, should there be reservations in the private sectors?*

India is a democratic country and is constitutionally committed to civil liberties and individual rights. It has a multicultural population, including significant minorities with a long history of deprivation and disadvantage, the product of the past practices of the state and the social structure as well. The need for establishing equitable and just society was duly felt by the framers of the Indian constitution. Therefore, they have taken special care for formulating important provisions to give institutional support to the most disadvantaged social groups such as the Scheduled Castes (SCs) and the Scheduled Tribes (STs). Over the time, it has evolved a complex and elaborate scheme of reservations.<sup>1</sup>

The Indian constitution has sought to address the needs of these communities via certain forms of positive discrimination gradually termed as 'Reservation Policy' in India. Different expressions are used to signify the policy of reservation, for instance, protective discrimination, reverse discrimination, positive/affirmative action, preferential treatment etc. As for the SCs and the STs, Nandu Ram observes that the

provisions "may better be accepted as policies of compensation for discrimination of past as well as present time".<sup>2</sup> The policy involves a conscious act on the part of the state on the basis of some ascriptive criteria such as, caste, gender, ethnicity and even spatial location. It aims at the reduction of persistence discrimination or inequality in the society by giving preferential treatment to the weaker sections in the distribution of valued social goods and opportunities. Protective Discrimination represents affirmative state action to redress the wounds of the disability and disadvantaged sections of the society. The policy aims at extenuating societal disadvantages derived from socio-historical process of an unjust social order. The policy seeks to uplift the economic and social positions from a situation of backwardness. It claims the practice of reserving or restricting jobs in government services or seats in Lok Sabha vis-à-vis Assemblies. It has been an important device to ensure political participation of the weak. The SCs and the STs owe their existence in the legislative bodies to the provision of protective discrimination. Their representation in bodies where there is no reservation is due largely to the political base provided by the reservations. Thus, reservations provide for a substantial quantitative presence that would otherwise be lacking. It has enabled the exterior to be constituent in democratic power structure.

The central justification of the reservations in public service or university admission is that they benefit the traditionally underprivileged and correct the immemorial injustices of centuries. The ones who have a right to compensation are those who have personally been injured by discrimination and who have not yet been able to overcome this injury. The rationale of preferential provisions is based on the upliftment and empowerment principle. This is because when a highly hierarchical society, chosen to be egalitarian and decides simultaneously to be free and open, equality is not likely to be achieved unless groups that rank low in the traditional system of stratification are purposively assisted to leap across the gap that separates them from the others. The underlying assumption is that traditional disadvantage must inevitably operate as a handicap and traditional advantage as a head start, even if competition is in free and open principle. According to Marc Galanter (1984), the rationale behind the reservation policy is that the historically disadvantaged population should be provided with preferential treatment. Controversies surrounding reservations notwithstanding, this measure turned out to be the one facilitator for major section of the society.

Reservation in India aimed to give the weaker sections (SCs/STs) a helping hand without which competition with upper caste would have become unfair and uneven. They were to render the social relationship of an iniquitous situation and close the social, educational and economic gap between the upper castes and the lower castes. A fair representation of these groups would certainly enhance the representative character of the state. So, the present paper discusses the political understanding of reser-

vation policy in India. Firstly, it deals with constitutional provisions and their significance. Secondly, it explores the criteria under which the beneficiaries have been identified. Thirdly, in the wake of the present debate on reservation policy, it looks at the controversial stand of the defenders and the critics. Within this framework, this paper tries to explain the rationale of demanding reservations in the private sectors. The conclusion part raises an important issue that the present democratic state should address.

## Constitutional Provisions and their Significance

At the dawn of independence, a promise was made to secure to all its citizens social, economic and political justice; liberty of thought, expression, belief, faith, worship and equality of status and opportunity. Therefore, under the Constitution of India comprehensive special provisions have been made for protection and development of the SCs and the STs and in some cases, even by putting reasonable restrictions on certain fundamental rights. The aims and objectives of the Constitution, the general agreement and the compromises arrived at in the Constituent Assembly, reflected in various Articles and provisions relating to backward classes, are the Preamble, Fundamental Rights, Directive Principles of State Policy and Articles 330, 332, 320(4), 333, 335 etc.

Article 15 of the constitution disproves any form of discrimination on the grounds of religion, race, caste, sex or place of birth. That much is not unusual among modern constitutions; but then the Article adds what is most unusual, an explicit guarantee that these non-discrimination provisions are not to be understood to prevent the state from "making any special provisions" for the advancement of any socially and educationally backward classes of citizens or for the SCs and the STs. In the light of contentious disputes in the U. S. over affirmative action, Maratha C. Nassbaum refers Indian constitutional provision as "a most wise and valuable provision, which establishes the more general idea that the conception of equality in the document is not that of mere formal equality, same treatment for all, but rather the idea of substantial equality, the dismantling of oppressive hierarchies."<sup>3</sup> This may enable the state to do whatever is necessary to make sure that all citizens have substantive equality. In the same vein, Article 16 enjoins upon the state to ensure equality of opportunity for all but also directs the state to make a provision for the reservation of appointments or posts in favour of the weaker sections. Article 17 abolishes untouchability. In pursuance of this Article, the Untouchability (offences) Act was passed by the parliament in 1955, which came into force with effect from 1<sup>st</sup> June 1955 repealing all the state enactments. The Central Act prescribed punishment for the practice of untouchability for the enforcement of any disability arising there from and the mat-

ters connected therewith. Ever since it came into force, it was felt that the act was not serving its purpose and the punishments provided in it were few and inadequate. Therefore, the protection of Civil Rights Act was enacted in 1976 to re-name and amend the Untouchability (offences) Act, in 1955, with comprehensive amendments by making the punishments under this Act more stringent and offences non-compoundable. Article 19 grants freedom of speech, expression and free movements for all including the weaker sections.

Religious liberty has been granted under Article 25. Article 29 protects the cultural and educational rights of minorities with its protection of non-discrimination in education and in Article 30, with its protection of rights of minorities to establish educational institutions. This provision also acquires a special significance when apply to SC and the ST communities, who constitute the important cultural minorities of the country. Similarly, in Part IV of the constitution, Article 46 lays down that "the state shall promote with special care the educational and economic interests of the weaker sections of the people; and in particular, of the Scheduled Castes and the Scheduled Tribes, and shall protect them from social injustice and all forms of exploitation". Central to this directive and other related provision is reservation, which is a package of constitutional provisions and their intended follow-up programmes for social advancement of the weaker sections. So, there is a reservation for the SCs and the STs in proportion to their numbers, in the matter of admission in educational institutions, which came under the administrative control of the Ministry of Human Resource Development and other central ministries. Educational facilities like scholarships, books and stationery, uniforms, mid-day meals, hostels, special coaching etc. are also provided to the students of these communities. The government of India also initiated a number of centrally sponsored schemes/ non-plan schemes for the benefits of these students. There is no doubt that there has been considerably progress in the field of education. The literacy rate among the SCs and the STs rose from 1.9 per cent and 0.7 per cent in 1931 to 37.41 per cent and 29.6 per cent respectively in 1991.<sup>4</sup>

In so far as Other Backward Classes (OBCs) are concerned, they are around 52 percentage of the total population. On the basis of that the SCs and the STs have reservation in proportion to their population, the quantum of reservation should have been 52 per cent. However, the Mandal Commission recommended only 27 per cent since in a number of cases the Supreme Court has held that the total quantum of reservation under Articles 15 (4) and 16 (4) of the constitution should not be more than 50 per cent. This percentage principle is seen as a technique to a balance between the claims of merit and the claims of backward classes to get preferences. The Mandal Commission also clarifies that candidates belonging to OBCs recruitment on the basis of merit in an open competition should not be adjusted against their

reservation quota of 27 per cent.<sup>5</sup> Presently, there is a reservation of 15 per cent for the SCs, 7.5 per cent for the STs and 27 per cent for the OBCs in all posts under the control of central government and central public undertakings.

Article 335 of the constitution speaks about reservation of seats for the SCs and the STs in the government services. This provision requires the union as well as the state governments to take steps to ensure that claims of the members of the SCs and the STs are duly considered in making of appointments to services and posts under the central as well as the state governments. An indication is given in Article 16 (4) that empowers the state to make any provision for the reservation of appointments or posts in favour of any backward class of citizens, which in the opinion of the state is not adequately represented in the service under the state. So, the Indian constitution reserves seats for them in the government services.

The reservation policy has brought a great deal of change in the representation of the SCs and the STs in employment. Table-1 shows the representation of the SCs and the STs at various levels of government services. As far as the SCs and the STs are concerned, they have represented 10.21, 12.38, 16.08 and 21.54 per cent and 3.06, 3.02, 6.27 and 6.71 per cent in Groups A, B, C and D respectively. As this table shows, the percentage of members from weaker sections employed in government services is abysmally low. For Groups A and B posts, representations continue to be low. This is generally attributed to the non-availability of qualified candidates for these posts. Ironically, the stipulated 15 per cent of reservation quota fixed for them is not fulfilled.

The quantum of reservation prescribes for the SCs and the STs are fixed on the basis of the percentage of their population. But the table-2 shows that the figures of their actual representation show that this legal provision has been grossly violated. At both state and central level, the seats allotted for the SCs and the STs have not actually been filled (Table 1 and 2). In comparison to the SCs, the actual representation of the STs is even lower. For instance, in Gujarat the STs are provided with 14 per cent reservation. They have filled only 5.91, 4.00, 8.98 and 17.78 per cent in Groups A, B, C and D respectively. Gujarat is the third in terms of economic development but the tribal people have been left untouched. Tribes to have made some gains but not so much in the direction of protecting their rights over land, forest and other resources or in letting them make substantive contribution in the decision-making process.

Similarly, Articles 330, 332 and 334 provide for reservation of seats for the SCs and the STs in the Lok Sabha and the Vidhan Sabhas for a period of ten years<sup>6</sup>, but not in the upper House at the centre or in the states. This is because of the differences in the

electoral procedure for both the Houses.<sup>7</sup> The effect of reservation of seats is to guarantee a minimum number of seats to the members of the SCs and STs in proportion to their numerical strength. Accordingly, total of 78 and 38 and 540 and 282 seats are reserved for the SCs and STs in the Lok Sabha and the State Assemblies respectively. The seats are 'reserved' in the sense that candidates who stands for them must belong to SCs and the STs community but the entire electorate votes in selecting the candidates so qualified. It does not deprive a member of the SCs and the STs of his right to contest a general seat on the strength of the very nomination for a reserved seat.

Since seats in parliament and legislatures are filled periodically by elections, the SCs and STs have been finding numerical representation in these bodies. They have come to increasingly realize their significance in the power game and their capacity to tilt the balance decisively in favour of one of the competing groups. Observer of the political scenario believes that the provision of reservation in the seats of parliament and legislatures have definitely, in some way, accelerated the political education of these disadvantaged groups. Since, they share seats in proportion to their ratio in the total population, their numbers would never be sufficient for effecting policy changes. Even they do not belong to a single political party. Eventually the welfare of the group would be possible only when the House collectively directed its attention to their problems. A small number of representatives would not be able to do much by them.

As far as the SCs and the STs are concerned, two positive changes can be seen. First, crude and blatant forms of social discrimination, at least in the public sphere, are practiced far less frequently than in the past, though they have certainly not disappeared. Second, a middle class within the community has emerged. The following four factors have contributed in bringing about these changes. First, there is an overall acceptance of equality as a desirable norm, thanks to the permeation of the liberal and radical philosophy discourse, capitalist development, and technological changes including communication, in the society. Second, capitalist development, nonetheless sluggish, has weakened the traditional functioning of the caste system. Third, protective discrimination through reservations in Government jobs and admission to educational institutions have paved the way for the SCs and the STs to enter the middle class. Finally, the competitive politics within the parliamentary framework, with the provision of reservation of seats, has created political consciousness among the SCs and the STs to an unprecedented scale.<sup>8</sup>

So based on the Reservation Policy, the government has laid down three kinds of arrangement for the people belonging to the category of the SCs and the STs<sup>9</sup>: firstly, there has been reservation of seats for these groups in the Parliament/State legisla-

tures. Secondly, there has been reservation of jobs for them in government and semi-government services. Thirdly, seats have been reserved for them in the educational institutions, especially in the institution of higher learning such as colleges and universities for their social and educational advancement. Within this constitutional backdrop, the third part explores the controversial stand of the defenders and critics of reservation policy in India.

### Identifying the Beneficiaries

The original constitution nowhere defines the term "socially and educationally backward classes."<sup>10</sup> But Article 341 (1) empowers the President to specify, after consulting with the Governor of a state, 'those castes, races or tribes or parts of or groups within castes, races and tribes which shall for purposes of this constitution be deemed to be Scheduled Castes in relation to the state'. The selection has proceeded primarily on the basis of 'untouchability'-measured by the incidence of social disabilities-but this criteria has been combined in varying degrees with economic, occupational, educational etc. there is no single criteria for identifying them.

Caste remained the primary basis for designating the SCs and it is the caste in the sense of rank or status in the social religious hierarchy, which is the criterion for choosing these groups. The SCs are also determined on the basis of territory and religion. The SCs are designated by state and sometimes by districts or regions within states. The same caste may be scheduled in one state but not in an adjoining state, or they may be identified in one district but not in an adjoining district. A postal clerk, for example, residing and working in Orissa was a member of the Konda Kapus, a group listed as ST in neighbouring Andhra Pradesh but not in Orissa. This can be justified under Article 341 (1), which speaks that in order to get the benefit of being a member of a SC or a ST in the matter of public employment, the person claiming it should be a member of such caste or tribe in relation to the particular area or state where he is residing and where he seeks employment. As Indira Gandhi explained the rationale of this policy: "this is a matter on which one has to have a certain balance, while we stand for the principle that any Indian should be able to work in any part of India, at the same time it is true that if a large number of people come from outside to seek employment in an area while there is unemployment among the local people, that is bound to create tension in that area. Therefore, I do not like the idea of having any such rule, one has to have some balance and see that local people are not deprived of employment."<sup>11</sup>

The religious test for SCs is employed, not a positive test for selecting appropriate groups for inclusion but as a disqualification of individuals and groups who other-

wise meet the criterion, thereby inevitably discouraging conversion. Thus, only the 'castes' within the Hindu fold alone can be included within the SCs. Presumably, the use of religion as a relevant criterion is justified on the ground that religion has direct relevance to untouchability and the constitutional goal is to eliminate the disabilities arising out of Hinduism. It is thought that only those individuals are intended to be included in the Scheduled Castes Order who suffers from the stigma of disabilities of untouchability, which exists only within Hinduism. In other words, 'casteism within Hinduism will be the only consideration in selecting the SCs.'

In contrast, there has been much less dispute about the identification of the STs. The general notion is that this category should include those groups distinguish by 'tribal characteristics' and by their spatial and cultural isolation from the bulk of the population. They were defined partly by habitat and geographical isolation, but even more on the basis of social, religious, linguistic and cultural distinctiveness-their 'tribal culture.' The indifference of British rulers towards the tribal welfare had perpetuated distinct characteristics of the tribal. The British adopted policies, which were designed to isolate the tribals from the general masses as part of their deliberate policy of not developing communication in the tribal areas.<sup>12</sup> So, the STs have been designed on the basis of their 'distinct culture'.

### Terms of Discourse

Any policy of compensatory discrimination designed to restructure the social relation is bound to be controversial and conflicts between the groups favoured and those adversely affected by such a policy. The protagonists and antagonists of reservations naturally take extreme stands in the controversy. Perhaps, the strongest contours are those from the upper caste people who feel themselves threatened by the loss of opportunities and the erosion of their traditional position of dominance.

The opponents of reservation policy argue that quotas are unfair because they allegedly conflicted with Fundamental Rights, which guaranteed equality of opportunity and non-discrimination in matters of state employment. In this policy merit has often taken second place and it is therefore morally wrong.<sup>13</sup> They argue that the upper caste candidates are denied jobs and seats even though they perform well in the tests endangering the place merit and efficiency. Reservation in government posts was regarded as undesirable not only for country but also for the backward castes themselves<sup>14</sup> because not only would quotas stigmatize the recipients induce the feelings of inferiority among them and stifle initiative for self-development but also that they would benefit only a few, already privileged sections within the group.<sup>15</sup> This view is based on the maintenance of efficiency in the administration. This criticism is con-

tinued much before the Indian constitution came into force.<sup>16</sup>

While apparently and theoretically the argument seems well founded there is neither evidence to support the fear nor is it true to say that meritocracy would be the norms once reservation is lifted. Commenting on the impact of reservation on educational standard, sociologist Andre Beteille writes: "Everybody says that the standards have fallen in the Indian Universities. However I found it difficult to judge, firstly, whether standards have fallen and secondly, if they have fallen, whether the fall has been due to affirmative action. At the bottom end of the scale, a very large proportion of the present crop of graduates would not have graduated in the 1950s. On the other hand, the number of good students is probably higher so at the top end of the scale, standards are maintained. I would attribute the lowering of standards in this particular sense to the massive and sometimes reckless expansion of higher education under political pressure."<sup>17</sup> It is probably not correct that the weightage system would perpetually introduce bad students to the Universities.

On the other hand, protagonists of reservation policy claimed its benefits on the basis of historical disabilities arising out of unequal caste structure. According to them, disadvantaged groups are historical in their origin. It arises when their predicament is a result of the past actions and practices of the privileged groups. If the past and future have claims in the present, then one cannot disassociate oneself from the past entirely; at least, one cannot disown all inheritances or liabilities or live in the present. The current condition of the untouchables in India is largely a result of what the caste Hindus did to them for centuries.<sup>18</sup>

One major argument against reservation policy is that it strengthens the separate identities of the backward communities and causes heart burning to members of non-Harijan communities who are similarly deprived but for whom there is no reservation. One of the members of the Constituent Assembly Damodar Swarup Seth had expressed his opposition to job reservation. In his opinion, "Reservation of posts or appointments in services for backward classes means the very negation of efficiency and good government."<sup>19</sup> Loknath Mishra also argues against reservation policy more or less same to Damodar Swarup Seth.<sup>20</sup> During the Constituent Assembly debates, reservation in employment became secondary. They gave far importance to political reservation than employment. It is being argued that if a community is represented in the legislature, its representatives can voice its demands from time to time and look at that any injustices done to that community either in the matter of appointment or in any other matter.<sup>21</sup>

The supporters of reservation policy further argue that the merit and performance of an individual is largely determined by the social and economic conditions.<sup>22</sup> By sup-

porting Mandal Commission's Report of giving 27 per cent reservation to the OBCs in the government jobs, Rajni Kothari argues that "if you want to bring caste to an end provide more reservation for the backwards."<sup>23</sup> Dipankar Gupta opposes Mandal Commission's Report of giving reservation to the OBCs. Gupta appreciates Ambedkar's view of reservation, which was primarily meant to remove the scourge of untouchability from Indian society. According to him, Ambedkar had a large social programme of enhancing fraternity among the citizens.<sup>24</sup> But, he agreed to give such benefits to the SCs because they are socially stigmatized. The study of Dharma Kumar (1992) shows that the orthodox left opposed reservations giving on the basis of caste. They argue that caste reservation will enhance ethnic interests and hence weaken class mobilization.

Goldman says, "Affirmative action programme seeks to rectify the consequences of social discrimination. It involves, among other things, discrimination in favour of communities that have been victimised by society and in law. Although policies involving reservations and quotas for members of disadvantaged communities has been the most widely used, and also the mostly hotly contested, policy within the affirmative action programme, it is by no means the only way of remedying the socially victimised communities. Under the affirmative action programme, governments have sought to supplement positive discrimination in jobs with special economic packages, social facilities and preferential spending."<sup>25</sup> Ronald Dworkin favours affirmative action/preferential treatment on the basis of social utility. To him, 'affirmative action is justified, not because those who are given preference are entitled advantage whether in compensation for past discrimination or for any other reason, but simply because helping them is now an effective way of attacking national problem.'<sup>26</sup>

The demand for reservations is seen in a quite different way at the turn of the present century. It is argued that the present policy has led to the emergence of an elites among these communities. In this context, the study of Stuart Corbridge can be illustrated.<sup>27</sup> These advantaged sections, in turn, are able to repeatedly make use of the reservations from generations to generations. Narayan Murthy, therefore, proposed to introduce economic criteria rather than caste<sup>28</sup> to deschedule the elites among these communities. But this criteria itself is a complex process and this is not going to be necessarily advantageous to the SCs and the STs. But the important aspect that needs to be underlined is the reasons that make the people poor. As far as the SCs and the STs are concerned, their caste or racial identity contributes to their deprivation or oppression.<sup>29</sup> The economic criteria should not, thus, be used to disqualify eligible candidates from reserved categories even when there are number of seats remain unfulfilled. Such criteria can be applied when there are multiple eligible candidates for a reserved position. Overall, anti-reservationists believe that their merit is being ignored while beneficiaries think that the package is not being implemented properly

and that consequently their status has not been enhanced to the degree expected.

## Reservation in the Private Sector

Reservation policy is, once again, in the central debate but for a different reason. This is not for further extension or inclusion of another group that happened in the 1990s but, growingly and significantly, the demand for its extension to the private sectors. This emerged as a result of the UPA government's coming to power in the last electoral verdict, where it states just before the election: "The UPA government is very sensitive to the affirmative action, including reservations, in private sector. It will immediately initiate a national dialogue with all political parties, industry and other organizations to see how best the private sector can fulfill the aspirations of the scheduled caste and the scheduled tribe youth."<sup>30</sup> This promise of Common Minimum Programme (CMP) brings the reservation policy in the limelight and calls for the national dialogue on this issue.

The debate revolves around 'merit' vs. 'special favour'. Due to privatization, the subsequent withdrawal of the state and the decline in the government and the public employment, the employment rate of the SCs and the STs under reservations has declined quite significantly. Given the discriminatory and exploitative social milieu, the weaker sections are the one who would be victims of this process. Reservation should, therefore be continued in the undertakings, which have been privatized during the 1990s under the policy of privatization. Reservation in the private sector, however, remains as a big challenge due to the adoption of liberalization.

The private sectors, on the other hand, put their argument opposition to reservation on apocalyptic claims that are untenable. They went to the extent of arguing that the expansion of reservations in the private sector would be a major jolt for corporate sectors. Reservations in the private sector will hurt "global competitiveness" and bring down the standards of the industry. The corporate sectors rely on more intangible measured qualities that cannot be ranked on an objective scale easily. As Sunil Kumar Munjal, the president of CII, expresses his reluctant that "We cannot be forced to take individuals who don't have the required skills. We cannot afford to compromise on efficiency. That would affect our competitiveness. We cannot compromise on merit."<sup>31</sup> Ironically, when it comes to address the reserved categories, it is misconceived as a matter of compromising on merit. But, there is no such thing as 'pure merit' in selecting or hiring people. In different situation, we look variously for 'qualified' or 'very qualified' or even 'best qualified' candidates. Among the SCs and the STs there are candidates who are meritorious, competitive and skilled. Rahul Bajaj (*Times of India*, September 21 2004) claimed that there should not be reservations in the private sectors because 34 per cent of candidates from the SC and the ST com-

munities have been appointed in his industry. He further argued that the private sectors couldn't offer to have a culture of entitlement. He did not, however, mention the level of appointed. For the weaker sections, the level of their appointment is important.

There are two types of strategies that have been followed by the Indian government for the empowerment of the SCs and the STs, such as (a) anti-discrimination legal and protective measures; and (b) development or empowering measures. Reservations in government services and political bodies also fall under the purview of protective measures. The reservation policy is confined to public sector, and the private sector wherein more than 90 per cent of the SC/ST workers are engaged remains unprotected. The demand for affirmative action in the private sector emanates from this fact that this would enable participation of weaker sections in employment and markets since they suffer multiple discrimination. Situating the level of discrimination in different corners of the country, that takes place directly or indirectly in the private sectors, Sukhadeo Thorat goes on to the contention that if the societal discrimination in private domain is the justification, why cannot such a policy be extended to the private sector?<sup>32</sup> Precisely, due to this consideration, the CMP of the UPA government calls for national dialogue on reservation in private sectors.

There is no collective movement for reservation in the private sector around the country. Proponents of reservations in the private sectors are being a little disingenuous when they demand such a policy in the name of marginalized and the poor. This will do little to alleviate the conditions of the most marginalized communities in India, for instance, landless agricultural labour. Their argument is much stronger when they base their argument on the premise that the Indian labour market requires some kinds of anti-discrimination measures. In this context, the case of Malaysia, US, Canada, South Africa etc. can be demonstrated. Prakash Louis demands reservation in the private sectors on the basis of "social responsibility".<sup>33</sup> In other words, proponents of reservations in the private sectors believe, what Ambedkar once said that merit is not an attribute of an individual but an attribute of group, i.e., caste or social discrimination.<sup>34</sup> On the other hand political theorist Pratap Bhanu Mehta believes that reservation policy is one of the means and not an end in itself.<sup>35</sup> He further suggests for the identification of the beneficiary groups more carefully and limit to those groups.

Given the prevalent of significance of discrimination in employment in the private sectors, the formulation of reservation policy is necessary to ensure fair access to the discriminated groups. In this context, the intervention of the state is necessary. In a panel discussion on "Bases and Modalities of Reservation including Affirmative Action in Private Sector" organized on behalf of Dr. Ambedkar chair by the Centre for

the Study of Social Systems, School of Social Sciences, Jawaharlal Nehru University, New Delhi on September 23, 2004, the participants (M. N. Panini, Virginious Xaxa, Vivek Kumar and C. Krishnan) more or less agreed on the following alternatives: (a) challenges to be made to overcome the informal discriminatory practices in the private sectors. This can be done by enacting equal opportunity laws, affirmative action on measures and reparation that have been used by a number of countries to correct the imbalances in the sub-groups of their population. All these three measures are essential for remediation of market and non-market discriminations; and (b) there should be negotiation between private sectors, state and civil society and work out for common consensus. If this is not possible, the state must intervene (through legislation, if necessary) into the private sectors to ensure that reservation policy has been worked in the private sector to discourage the informal discriminatory practices. But the stand of the present UPA government, led by the congress party, is not clear on this issue. The CMP, on the one hand promised to undertake necessary steps to incorporate reservations in the private sectors and on the other hand, it is reluctant to bring any legislation on this issue. One thing is very clear that without any legislation, the private sectors are not going to accept the reservations.

### Conclusion

In conclusion, it can be said that there is continuity and change in the reservation policy. Ironically, the present discursive nature of the reservation policy in India is still revolving around the argument of 'merit' vs. 'social discrimination'. On the basis of such demonstration, the members of the Constituent Assembly drew a common consensus to reserve some amount of seats at three levels such as, employment, education and political spheres for the SCs and the STs due to their unique position occupied by them in Indian society.

In India, the main intention of reservation policy was social justice; thereby the empowerment of the SCs and the STs. The policy of job reservations intends to bring about proportional equality, as it is a mode of distributing benefits based on the proportion of the population. It is based on the principle of distributive justice and compensation for past disadvantages. In India, the hierarchical stratification has, by and large, survived for centuries and they continue to be politically relevant. In the given situation the policy seems to continue at least for the SCs and the STs for an indefinite period because they form an important vote bank and the vested political interests could never terminate the policy and presently, it is extended up to 2010. All in all, it is a project of "capacity building" among the weaker sections of the Indian society. The real challenge for the state, therefore, is to make the disadvantaged groups competitive through raising their standards so as to let them be at par

with the traditionally successful upper classes.

Table-1

**Representation of SCs/STs in Central Government Services on January 1,1997**

Group	Total	SC	Percent	ST	Percent
A	60,067	6,135	10.21	1,840	3.06
B	94,111	11,649	12.38	2,840	3.02
C	19,59,477	3,14,995	16.08	1,22,903	6.27
D (excluding sweepers)	8,18,748	1,76,368	21.54	54,931	6.71
Sweepers	15,51,137	16,149	39.42	12,812	8.26
Total(excluding sweepers)	29,32,403	5,09,149	17.36	1,82,524	6.22
Total(including sweepers)	30,87,540	5,70,296	18.47	1,95,326	6.33

(Source: National Commission for Scheduled Castes and Scheduled Tribes, Fifth Report, 1998-99, p.130.)

**Notes and References:**

<sup>1</sup> Reservations for backward communities have a long history in India. In 1921, the princely state of Mysore instituted preferential recruitment of backward communities (non-Brahmins) and it was enforced in Madras presidency from 1927. The British colonial government in 1943 instituted the system of reservation for the depressed castes (untouchables). A part from reservations for the SCs, the STs and Backward Castes, reservations are provided for the disabled, ex-servicemen and women.

<sup>2</sup> Quoted in Ghanashyam Shah (2002), "Dalits and the State: An Overview" in his ed. Book *Dalits and the State*, Concept Publishing House, New Delhi, p. 29.

<sup>3</sup> Maratha C. Nussbaum (2004), "On Equal Conditions: Constitutions as Protectors of the Vulnerable" in Mushirul Hasan (ed.), *Will Secular India Survive?*, Imprintone,

New Delhi, p. 34.

<sup>4</sup> P. K. Mohanty (2000), "Development of the Scheduled Castes and the Scheduled Tribes in independent India: Leads and Lags", *Journal of Rural Development*, vol. 19, no. 4, NIRD, Hyderabad, p. 555.

<sup>5</sup> Sagar Preet Hooda (2001), *Contesting Reservations: Indian Experiment of Affirmative Actions*, Rawat Publication, Jaipur, p. 187.

<sup>6</sup> It is worth noting here that such time limits contrary to general beliefs was not fixed in the area of Government services and educational institutions, Marc Galanter (1984), *Competing Equalities: Law and Backward Classes in India*, Oxford University Press, New Delhi, p. 46.

<sup>7</sup> It is important to note that the electoral process for both the Houses is different. In case of the Lower Houses of the Parliament (Lok Sabha) and the Assemblies (Vidhan Sabha), the people directly elect the members. While the people do not elect the members of the Upper Houses directly, Rajya Sabha composed the representatives of the state and the union territories and the nominated members by the President. Unlike the Vidhan Sabha, the members of the Vidhan Parishad are elected by the members of the municipalities; district boards and other local authorities; graduates of the Universities; persons engaged in teaching and other educational institutions; by the members of the state Legislative Assembly from among persons who are not members of the Assembly and the members nominated by the Governor. In short, the representatives of the Lower Houses are more responsible to the people than the Upper Houses.

<sup>8</sup> Ghanashyam Shah (2001), "Dalit Politics: Has Reached an Impasses" in Niroja Gopal Jayal and Sudha Pai (eds.), *Democratic Governance in India: Challenge of Poverty, Development and Identity*, Sage Publications, New Delhi, pp. 221-231.

<sup>9</sup> Virginus Xaxa (2001), "Protective Discrimination: Why Scheduled Tribes Lag behind Scheduled Castes", *Economic and Political Weekly*, vol. XXXVI, no. 29, July 21, p. 2765.

<sup>10</sup> In the Constituent Assembly, Ambedkar in reply as to who were backward classes for the purposes of the Article 16 (4) said, "A backward community is a community which is backward in the opinion of the government", Sagar Preet Hooda, Op.Cit., pp. 61-62.

<sup>11</sup> S. R. Maheshwari, "Reservation Policy in India: Theory and Practice", *Indian Journal of Public Administration*, Vol. XLIII, No. 3, July-September, 1997, p. 676.

<sup>12</sup> C. Rupa (1991), *Reservation Policy: Mandal Commission and After*, Sterling Publishers, p. 24.

<sup>13</sup> P. C. Chatterji (1996), "Reservation: Theory and Practice" in T. V. Sathyamurthy (ed.), *Region, Religion, Caste, Gender and Culture in Contemporary India*, Oxford University Press, New Delhi, p. 300.

<sup>14</sup> R. Bajpai (2000), "Constituent Assembly Debates and Minority Rights" *Economic and Political Weekly*, vol. XXXV, nos. 21 & 22, May 27, p. 1842.

<sup>15</sup> This argument is based on the view of Shri Brajeshwar Prasad moved in the Constituent Assembly. According to him, "those who are clamouring for these seats, for reservation, for consideration, represent a handful of people, constituting the cream of the Harijan society. They constitute a politically powerful group among the tribals and the scheduled castes", H. S. Saksena (1981), *Safeguards for Scheduled Castes and the Tribes: Founding Fathers View*, Uppal Publishing House, New Delhi, p. 401.

<sup>16</sup> For details, see *Ibid.*, p. 369.

<sup>17</sup> Quoted in Partha S. Ghosh (1997), "Positive Discrimination in India: A Political Analysis", *Ethnic Studies Report*, vol. XV, no. 2, July, pp. 157-158.

<sup>18</sup> Bikhu Parekh (1998), "A Case for Positive Discrimination", in Gurpreet Mahajan (ed.), *Democracy, Difference and Social Justice*, Oxford University Press, New Delhi, p. 383.

<sup>19</sup> Government of India, *Constituent Assembly Debates*, vol. VII, p. 700; also see Saksena, *Op. Cit.*, p. 367.

<sup>20</sup> Loknath Mishra thought that such a provision would put a premium backward and inefficiency. In his view, no citizen could claim employment on any consideration other than merit, B. Shiva Rao (1968), *Framing of India's Constitution: A Study*, Indian Institute of Public Administration, New Delhi, p. 198.

<sup>21</sup> See, especially the views expressed by Pandit H. N. Kumzru, Saksena, *Op. Cit.* p.

369.

<sup>22</sup> Dharma Kumar (1992), "The Affirmative Action Debate in India", *Asian Survey*, vol. XXXII, no. 3, March, p. 300.

<sup>23</sup> *Ibid.*, p. 298.

<sup>24</sup> Dipankar Gupta (1997), "Protective Discrimination and the Question of Fraternity: Contrasting Ambedkar and Mandal on Reservation", *Economic and Political Weekly*, vol. XXXII, no. 31, August 2, p. 1971.

<sup>25</sup> Quoted in Prakash Louis (2003), *Political Sociology of Dalit Assertion*, Gyan Publishing House, New Delhi, p. 118

<sup>26</sup> Michael J. Sandel (1982), *Liberalism and the Limits of Justice*, Cambridge University Press, New York, p. 135.

<sup>27</sup> For details, see Stuart Corbridge (2000), "Competing Inequalities: The Scheduled Tribes and the Reservation System in India's Jharkhand", *The Journal of Asian Studies*, vol. 59, no. 1, February, p. 69. Marc Galanter argues that "...compensatory discrimination has been a partial and costly success. Although few direct benefits have reached the vast mass of landless labourers in the villages, compensatory discrimination has undeniably succeeded in accelerating the growth of a middle class within these (SC and ST) groups-urban, educated, largely in government service. Members of these groups have been brought into central roles in the society to an extent unimaginable a few decades ago....", Marc Galanter (1984), *Op. Cit.*, p. 551.

<sup>28</sup> Pratap Bhanu Mehta (2004), "Affirmation Without Reservation", *Economic and Political Weekly*, vol. XXXIX, no. 27, July 3, p. 2953.

<sup>29</sup> *Ibid.*

<sup>30</sup> *Congress Sandesh* (2004), June, p. 13.

<sup>31</sup> Quoted in Prakash Louis (2004), "Affirmative Action in Private Sector", *Economic and Political Weekly*, vol. XXXIX, no. 33, p. 3691.

<sup>32</sup> For details, see Sukhadeo Thorat (2004), "On Reservation Policy for the Private Sector", *Economic and Political Weekly*, vol. XXXIX, no. 25, June 19, pp. 2560-2563.

<sup>11</sup> S. R. Maheshwari, "Reservation Policy in India: Theory and Practice", *Indian Journal of Public Administration*, Vol. XLIII, No. 3, July-September, 1997, p. 676.

<sup>12</sup> C. Rupa (1991), *Reservation Policy: Mandal Commission and After*, Sterling Publishers, p. 24.

<sup>13</sup> P. C. Chatterji (1996), "Reservation: Theory and Practice" in T. V. Sathyamurthy (ed.), *Region, Religion, Caste, Gender and Culture in Contemporary India*, Oxford University Press, New Delhi, p. 300.

<sup>14</sup> R. Bajpai (2000), "Constituent Assembly Debates and Minority Rights" *Economic and Political Weekly*, vol. XXXV, nos. 21 & 22, May 27, p. 1842.

<sup>15</sup> This argument is based on the view of Shri Brajeshwar Prasad moved in the Constituent Assembly. According to him, "those who are clamouring for these seats, for reservation, for consideration, represent a handful of people, constituting the cream of the Harijan society. They constitute a politically powerful group among the tribals and the scheduled castes", H. S. Saksena (1981), *Safeguards for Scheduled Castes and the Tribes: Founding Fathers View*, Uppal Publishing House, New Delhi, p. 401.

<sup>16</sup> For details, see *Ibid.*, p. 369.

<sup>17</sup> Quoted in Partha S. Ghosh (1997), "Positive Discrimination in India: A Political Analysis", *Ethnic Studies Report*, vol. XV, no. 2, July, pp. 157-158.

<sup>18</sup> Bikhu Parekh (1998), "A Case for Positive Discrimination", in Gurpreet Mahajan (ed.), *Democracy, Difference and Social Justice*, Oxford University Press, New Delhi, p. 383.

<sup>19</sup> Government of India, *Constituent Assembly Debates*, vol. VII, p. 700; also see Saksena, *Op. Cit.*, p. 367.

<sup>20</sup> Loknath Mishra thought that such a provision would put a premium backward and inefficiency. In his view, no citizen could claim employment on any consideration other than merit, B. Shiva Rao (1968), *Framing of India's Constitution: A Study*, Indian Institute of Public Administration, New Delhi, p. 198.

<sup>21</sup> See, especially the views expressed by Pandit H. N. Kumzru, Saksena, *Op. Cit.* p.

369.

<sup>22</sup> Dharma Kumar (1992), "The Affirmative Action Debate in India", *Asian Survey*, vol. XXXII, no. 3, March, p. 300.

<sup>23</sup> *Ibid.*, p. 298.

<sup>24</sup> Dipankar Gupta (1997), "Protective Discrimination and the Question of Fraternity: Contrasting Ambedkar and Mandal on Reservation", *Economic and Political Weekly*, vol. XXXII, no. 31, August 2, p. 1971.

<sup>25</sup> Quoted in Prakash Louis (2003), *Political Sociology of Dalit Assertion*, Gyan Publishing House, New Delhi, p. 118

<sup>26</sup> Michael J. Sandel (1982), *Liberalism and the Limits of Justice*, Cambridge University Press, New York, p. 135.

<sup>27</sup> For details, see Stuart Corbridge (2000), "Competing Inequalities: The Scheduled Tribes and the Reservation System in India's Jharkhand", *The Journal of Asian Studies*, vol. 59, no. 1, February, p. 69. Marc Galanter argues that "...compensatory discrimination has been a partial and costly success. Although few direct benefits have reached the vast mass of landless labourers in the villages, compensatory discrimination has undeniably succeeded in accelerating the growth of a middle class within these (SC and ST) groups-urban, educated, largely in government service. Members of these groups have been brought into central roles in the society to an extent unimaginable a few decades ago....", Marc Galanter (1984), *Op. Cit.* p. 551.

<sup>28</sup> Pratap Bhanu Mehta (2004), "Affirmation Without Reservation", *Economic and Political Weekly*, vol. XXXIX, no. 27, July 3, p. 2953.

<sup>29</sup> *Ibid.*

<sup>30</sup> *Congress Sandesh* (2004), June, p. 13.

<sup>31</sup> Quoted in Prakash Louis (2004), "Affirmative Action in Private Sector", *Economic and Political Weekly*, vol. XXXIX, no. 33, p. 3691.

<sup>32</sup> For details, see Sukhadeo Thorat (2004), "On Reservation Policy for the Private Sector", *Economic and Political Weekly*, vol. XXXIX, no. 25, June 19, pp. 2560-2563.

<sup>33</sup> Prakash Louis argues that government provides safeguards to the private sectors to promote their business by creating better situation for encouragement of business and trade. It can, thus, be expected from the private sectors to fulfill their social responsibility. He further says that if the private sectors are not fulfilling their social responsibility, then the government should make necessary provisions by legislative measures, Prakash Louis (2004), Op. Cit., p. 3692.

<sup>34</sup> Shefali jha (2002), "Secularism in the Constituent Assembly Debates, 1946-1950", *Economic and Political Weekly*, vol. XXXVII, no. 30, July 27, p. 3179.

<sup>35</sup> For details, see Pratap Bhanu Mehta, Op. Cit., pp. 2951-2954.

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## Critiquing the Theory of the Neo-liberal State

Akhil Ranjan Dutta

*The current moment in history witnesses the consolidation of the neo-liberal state- the state that refuses to act as a collective and performing entity. It reverses the historical consolidation of the state as a 'public domain'. Although, this new form of the state consolidates under the auspices of the 'global capital' under its new 'modus operandi', however, the legitimacy towards this state has been brought about by a wider discourse on democracy, liberty, development, governance etc. In other words, the 'neo-liberal' state is rather a complex phenomena.*

*The discourse on neo-liberal state has been accompanied by the vigorous assertion for an active and spontaneous operation of 'civil society'- the sphere that exists between the family and the state. Whereas, the state and the family are marked by legitimate coercion and binding obligation respectively- the civil society, on the other, is marked by voluntarism and unbridled spontaneity and so a domain of 'freedom'. However, the articulation of 'civil society' as a domain of 'unbridled freedom' is full with ambiguities as it does not take into account and so do not debate the inherent contradictions of the sphere of civil society characterized by multiple forms of contradictions emanating from multiple layers, and at moments overlapping layers, of domination and subjugation. But, these ambiguities have also been concealed by other varieties of discourses like 'social capital'- which has tried to project development and governance as an outcome of a sustainable network of coordination, faith and trust which insists that a sense of contestation is rather detrimental towards development and democracy.*

*The current paper is a critique of the theoretical premises of this neo-liberal state.*

### Introduction

Every crisis moment in history, particularly which occurs due to the ruptures in the historical process, invites new theorization. This may be, as has been pointed out by

Neera Chandhoke, due to the fact that the object of theoretical investigation is seen to have changed, or that the particular mode of enquiry is flawed in its inner logic of structuration. **1** In such a situation, the conceptual hierarchies need to be restructured or re-oriented. The restructuring or reorienting the existing conceptual hierarchies, or bringing into focus new conceptual categories, is, however, not at all a value-neutral act. It is associated either with the interest of the dominant (hegemonic) classes or that of the subordinate classes asserting their rights. In other words, new theorization either attempts at providing legitimacy to the unfolding interests of the hegemonic classes or it may expose them inviting alteration to both the existing and emerging system through new set of conceptual categories. So, new theorization is bound to be conflict-ridden as well as competitive.

The late twentieth century witnessed a lot of ups and downs in the historical process creating a 'crisis moment in history'. This is mainly due to the collapse of the socialist bloc in the East Europe and in the erstwhile USSR without any viable alternative and pushing these countries into a crisis situation. However, this explicit crisis was accompanied by a lot of other developments- particularly the *new modus operandi* of the global capitalism- transforming itself from its characteristic feature of 'rivalry for hegemony' among the advanced national capitalist systems towards 'acting in unison' among them. This was also a moment of unprecedented development in science and technology- particularly information and communication systems - and reaching out the people to the extent of creating a situation where the space for collective mobilization for political change or radical politics has gradually been evacuated. This was also a moment of erosion of faith in the 'welfare state'- some time due to its excess in the name of the people and at many instances due to the failure to carry forward the promised goals. As the new millennium was approaching, the conceptual categories, which dominated the postwar economy and politics, were giving way to new conceptual categories. And, in the theoretical discourse of politics, one of the most important categories- the state, emerged as the most vulnerable entity. For different set of reasons in different regions in the world, some sort of consensus emerged in regards either to the fallacies of the premises or of the *modus operandi* of the 'collectivist-welfarist' state, which was, otherwise, one of the important legacies of the post Second World War world and was considered as key to the construction of the 'golden age', as pointed out by Eric J. Hobsbawm in his famous work *The Age of Extremes*.

As a result, the current moment in history has witnessed consistent attempts, and mostly but not exclusively, on the part of the hegemonic forces, towards disaggregation and pluralization of the state into "a number of levels that stretch horizontally from civil society and market organizations on the one hand, and vertically from the transnational to local self-government institutions on the other."<sup>2</sup>

This new theorization of the state has taken place both within a specific historical moment as well as within definite ideological/philosophical configuration. The specific historical moment is the consolidation of capitalist globalization and the ideological configuration within which it has generated its legitimacy is neo-liberalism. The 'thinned down' state brought about by this moment and configuration is known as the 'neo-liberal state.'

Although the current theorization of disaggregation of the state is a product of hegemonic (capitalist) globalization, however, this 'disaggregation' derives its legitimacy from a broader context. In other words, the gross dissatisfaction with the Post Second World War collectivist state is found not only within the hegemonic (capitalist) forces, but also outside of it and so it is grounded on plurality of factors. Accordingly, the alternatives to the 'all powerful collectivist state' were also projected differently. However, as we will see in due course, the hegemonic forces gradually sidelined the plurality of alternative conceptual categories and have imposed their own conceptual categories providing them a sort of 'consensual status'. This imposed 'consensual status' also derives from within the ideological premises of neo-liberalism

But, before we focus on this *imposed neo-liberal alternative* to the 'collectivist paradigm' of the state, let the plurality of disenchantments with the collectivist state be outlined.

(1) The most significant disenchantment with the 'collectivist approach', of course, emerged at the very moment of its consolidation from within liberalism on the ground that the collectivist paradigm fouls the basic logic of classical liberalism and thereby violates individual freedom and entrepreneurship. For example, libertarian thinker F. A. Hayek criticized the 'collectivist' welfare state on the moral and philosophical ground that basically emanate from the liberal- bourgeoisie philosophy, more importantly from classical liberalism.

Arguing against the "consciously directed" central planning agenda for particular ends through particular means by the holder of "coercive power", Hayek wrote in the pages of *The Road to Serfdom* in 1944:

" 'Planning' owes its popularity largely to the fact that every body desires, of course, that we should handle our common problems as rationally as possible, and that in doing so we should use as much foresight as we can command. In this sense every body who is not a complete fatalist is a planner, every political act is (or ought to be) an act of planning.....But it is not in this sense that our enthusiasts for a planned

society now employ this term.....According to the modern planners, and for this purpose, it is not sufficient to design the most rational permanent framework within which the various activities would be conducted by different persons according to their individual plans.....What our planners demand is a central direction of all economic activity according to a single plan, laying down how the resource should be "consciously directed" to serve particular ends in definite way."<sup>3</sup>

Hayek, however, very clearly stated that it is important not to confuse opposition against this kind of planning with a dogmatic *laissez-faire* attitude. "The liberal argument is in favour of making best possible use of the forces of competition as a means of coordinating human efforts, not an argument for leaving things as they are. It is based on the conviction that where effective competition can be created, it is a better way of guiding individual efforts than any other." Hayek, reminded us that, it does not deny, but even emphasizes, that, in order that competition should work beneficially, a carefully thought out legal framework is required. He also admitted that neither the existing nor the past legal rules are free from grave defects.<sup>4</sup>

(2) Gross dissatisfaction arising out of overreach of the state and thereby denying autonomy of individuals in different spheres of their lives. The assertion for a 'third sphere' by the East European intellectuals in 1980s is due to this overreach of the state.

During 1970s and 1980s East European intellectuals, political activists and trade union leaders turned their back on the two political options that historically had been available to them. The first of these was reform of state power from above. The second was social revolution from below. Neera Chandhoke has argued that the efficacy of both these strategies had been ruled out because the Brezhnev doctrine had stipulated that the erstwhile Soviet Union would not hesitate to intervene in any East European country whenever the need arose to defend socialism. According to Chandhoke, the past experience of Soviet intervention in the affairs of East European states had simply foreclosed the options of both reform and revolution.<sup>5</sup>

So they looked for the 'Third Sphere', which can provide a viable alternative to the people "reeling under insensitive state power, arbitrary bureaucracies, lack of civil and political rights and the rule of law. The civil society emerged as the 'Third Sphere'. Intellectuals theorizing in the Tocquevillean mode imagined that this sphere of social association, based on solidarity and self-help would facilitate the ordinary men and women to associate and express their sentiments in freedom and without fear under the protection of institutionalized civil rights and rule of law.<sup>6</sup>

(3) Disenchantment with the state for its 'developmentalism', particularly in the post

colonial societies like India, indulging in 'homogenized vision of development' and thereby denying plural views on development and in turn denying people's right to plurality of models of development. Faced with resistance from the people towards this oppression in the name of development, the state, rather than becoming sensitive, aggregated its coercive apparatuses, which ultimately forced people to fight against the state and to search for an alternative space- a creative and accommodative one. Various anti- Dam movements in India (for example the movements steered by Narmada Bachao Andolan or by Pagladia Bandh Prakaalpar Kshatigrasta Alekar Sangram Samitee in Assam) are exploring their possible solution in a non-state sphere, currently called as civil society.

Highlighting on this trajectory of development and democracy, Rajni Kothari writes: "An enchantment with the metaphorical "Nehruvian" state gave way to disenchantment, the fact that the roots of this shift were to be found outside the state began to be taken seriously." <sup>7</sup> The sphere of civil society, a distinctive and autonomous entity, emerged as a vibrant sphere of political initiative and in Indian context, varieties of social movements and grassroots political movements filled up this sphere.

For Rajni Kothari the grassroots political movements fill up the creative spaces of the civil society.

(4) Disenchantment with the state, at many instances, was also due to its pre-dominant class, caste and gender bias in its functioning. For example, the extremist movements in India, particularly the naxalite movement, targeted the state defining it anti-people because of its loyalty to the interests of the feudal lords and the capitalists. The Dalit movements targeted the high-caste dominance both in the civil society as well as in the state and the women movements challenged the patriarchal nature of the state as well as of the civil society.

As a result, in India, beginnings of 1970s saw the formation and consolidation of a number of social movements challenging the agenda of the state, such as the anti-caste movement, the farmer's movement, and the women's movement. After the lifting of emergency in 1977 imposed by Prime Minister Indira Gandhi in 1975, two of the most important movements in contemporary India in 1980s- the civil liberties movement and the environmental movement- appeared as dominant actors on the political scene. 'By the late 1980s', wrote Gail Omvedt, 'the predominant feature of Indian politics had become the "new social movements" of women, Dalits, and low castes and peasants, farmers and tribals, as well as ethnically based struggles for autonomy or independence on the periphery...Nehruvian models of development are discredited. The public sphere of India's civil society became noisy, untidy, vibrant, and creative at the same time.'<sup>8</sup>

(5) Growing despotism of the states within formal democratic framework, particularly in many third world countries, basically owing to the failure on the part of the state to materialize people's expectations, on the very basis of which the states historically emerged in these countries. This is particularly true in postcolonial societies of Latin America and Africa. For example, in South-East Asia, the language of civil society has been used by advocates of democracy and civil rights, in Latin America by social movements seeking transformation into a new egalitarian and participatory socio-economic order, and in the Middle East by intellectuals opposing repressive regimes. In Africa analysts have noted the capacity of peasants to subvert or defy the predatory state through diverse ways of invisible government embedded in kinship, ritual, and magic. "Global civil society theorists have expressed their frustration with governments throughout the world by adopting people-centred development as their answer to the state's failure to bring about social and economic transformation".<sup>9</sup>

What all these mean is that the disenchantment with the state is grounded on plurality of factors. The forms of alternative imaginations were also bound to be plural by nature.

However, it has been witnesses in the contemporary moment in history that this 'plurality of civil society' has gradually been marginalized and a single-homogenized form of civil society has come to the forefront. This is a very crucial issue before the social scientists explore how this has taken place. Has it been a new technique of domination as well as 'capturing imagination'? This necessitates look into the changing mode of operation of 'global capital' in the recent past.

A set of political theorist and political economists (Leo Panitch 1998; Prabhat Patnaik 1995, 2003), have argued that late twentieth and early twenty first century mark the consolidation and spatial expansion of capitalism as well as the 'internationalization of the state' and so it is necessary to understand the current moment in history not in terms of transnational capital escaping the nation state, rather in terms of 'state becoming more and more attuned to fostering and/or accommodating to capital accumulation in a world scale'.<sup>10</sup>

In other words, under the current hegemonic wave of globalization we witness a change in the basic structure as well as the functioning of capitalism. The growing marginalization of the state and prioritization of transnational financial institutions have also been made possible by the new mode of 'acting in unison' by global capitalist forces. This also implies a qualitative change in the functioning of capitalism. Immanuel Wallerstein, the renowned World System theorist, pointed out that one important and fundamental feature of capitalism has been the rivalry for hegemony

among the advanced capitalist countries. What does it mean is that, each capitalist nation-state strives for its exclusive dominance in the world to fulfill capitalism's constant strive for accumulation of capital and profit. It necessitated more territory for investment and marketing along with raw materials and cheap labour. This led towards intra clash within the capitalist bloc. The inevitable out comes, as we witnessed in history, were the global wars like First World War and Second World War. However, of late, capitalism has changed its mode of functioning, and now, the 'rival capitalist economies' as pointed out by Prabhat Patnaik, works in unison. This is due to various reasons, particularly due to the formation of multi-national companies as well as the global resistance against capitalism by the victim counties and people.

Prabhat Patnaik argues that; although, there has been hue and cry about the decline of the nation state system or its undesirability under the auspices of the hegemonic (capitalist) forces, however, capital cannot function without the backing of the state. But, with the change in the nature of capital over time, from the era of free competition to monopoly capitalism, the nature of functioning of the state also undergoes corresponding changes. On the other, capital is not there only in one single national bloc with only one state backing it. Rather there have been multiplicities of national capitals, which work with the backing of the respective nation states. "The relationship between these nation states, or what one may call the nature of the international state system, is determined by the relationship between the different national capitals." Patnaik argues that with the change in the nature of capital many other things also change- nature of the state whose backing the capital enjoys as well as the nature of relationship between capital and the state. It also brings changes to the nature of the relationship of one state with other states. "This is why different phases of capitalism throw up different patterns of international politics."<sup>11</sup>

Reflecting on the current moment in history, Patnaik argues that this moment is characterized by the tremendous flow of capital in the form of finance or the globalization of finance. This new situation demands a new form of state to defend the interests of global capital operating in the form of global finance. This new state must be in the form of a world-super state. However, for the reason of juridical legitimacy, this world-super-state will not eliminate the existing nation-state systems; rather, "it will emerge from them and will be super imposed upon them. We will, in other words, have a world where nation states continue to exist but there is an abrogation of the sovereignty of a host of them acting in unison, and thereby constituting, for all practical purposes, a world super state" This situation necessitates the imperialist nation states to act in unison. And ultimately, we witness a changed relationship within the existing configuration of nation states.<sup>12</sup>

The neo- liberal state is unfolding within this new configuration of international fi-

nance capital. And, in this context, the projection of the 'retreat of the state' is rather a myth. Patnaik has very categorically pointed out that the perception of retreat of the state- a movement towards *laissez-faire* from state intervention, shared alike by both the protagonists as well as the critics of such a shift, is however erroneous one.

### Taming the Neo-liberal State: The Market and the Civil Society

Two different spheres were identified as the alternative to the state: the market, also called as the second sphere and the civil society or the third sphere. But, a clear line of demarcation between these two spheres is just impossible. Although, at many instances, the emergence of civil society or the third sphere is treated as the outcome of the growing disenchantment both with state and the market, however, the consolidation of the neo-liberal state is being supported both by the market and the civil society. At many instances, on the other, the market is also considered as one of the important constituents of the civil society. Besides, under neo-liberalism, the state intervention itself has changed from one paradigm to another paradigm without being displaced either by the market or by the civil society.

The market as a creative domain outside the state and within the domain of civil society is very much inherent in the premises of liberalism. Neo-liberalism, which is also defined as liberalism with new-configuration, uses the logic of liberalism, or classical liberalism and very particularly the logic of the school of classical political economy for its legitimacy. But, this needs to be stated that the actual functioning of the neo-liberal state grossly violate the very logic as well as the spirit of classical liberalism. It has been properly focused by the UNDP in its Annual Human Development Reports, which have been very critical about the unfolding nature of the neo-liberal state.

The school of classical political economy projected the state as a necessary evil and so launched a strong case for its disaggregation, on the other, the civil society was projected as an autonomous category as well as a domain of unbridled individual freedom and so a real site for democracy.

Civil society, in classical political economy, emerges as not only the system of wants satisfaction, but as the home of self-conscious individual. The individual is *egoistic*, but his self-interest is mediated by the realization that the satisfaction of his interest depends upon the satisfaction of the interests of other individuals. Thus the rational pursuit of self-interest, argued Adam Smith, leads to the social cohesion, encourages division of labour, and enhances productivity.<sup>13</sup>

Indeed, the rise of civilized society was, for Adam Smith, the result of the profit

seeking behaviour, rather than due to the plan of any political sovereign. With this comprehension, Smith argued that this natural inclination of an individual should be left alone and he believed that any attempt to interfere with it would rob society of its potential progress.

The classical political economy saw no contradiction between the egoistic behaviour of individuals pursuing their self-interest and social harmony. Where to locate 'the political'- meaning the state- in this formulation? Analysis would show that the classical political economy marginalized the role of 'the political'. Because, "central to Adam Smith's theory is the concept of a self regulating economy and society. It is as a member of this society that an individual can achieve both self-realization and benefit and social order. But this can be achieved only if this sphere is left alone by the political order. People, he held, are capable of realizing their interests in harmony with others. They do not need a regulating authority akin to Hobbesian leviathan to save them from themselves. This leaving to people themselves and non-interference in their day-to-day activities enables a society to be productive, creative and progressive."<sup>14</sup>

This romanticization of civil society by the classical political economy came under attack both from within and outside the liberal tradition. The very first articulate criticism came from Hegel. As a philosopher of modernity, Hegel could well appreciate the emancipatory potentialities of the civil society. But at the same time he warned that the *modern society is restless, self-seeking, searching endlessly for gratification* for those benefits that can compensate for the loss of belonging. Human beings turn inwards and the society becomes the *aggregate of competitive, egoistic and self-indulgent subjects*.<sup>15</sup> To be short, Hegel projected the 'civil society' as the sphere of 'universal egoism' and so invited the mediation of the state. For Hegel the state, in contrast to the civil society, represents a moment of 'universal altruism' and so the final moment of ethical and moral accomplishment of human kind. This will not be out of place to mention that Hegel's articulation of the state, as a domain of 'universal altruism' was also not out of contradictions. Marx, who otherwise owes to Hegel for his dialectical approach to history, but, criticized Hegel for the contradictions embedded in Hegelian state.

At the current moment in history, the ideology of neo-liberalism appropriates the basic philosophical premises of liberalism, however denies its moral dimensions. Hegel's warning has been totally overlooked by the advocates of neo-liberalism. Besides, at the level of policy formulation and policy implementation, even the very philosophical premises of liberalism has been totally flawed. The current neo-liberal moment represents a crucial blend of market coercion along with state and corporate coercion. What does it mean is that, although the state has been projected as the

'necessary evil', however, the state has not only been retained to guarantee the juridical foundation of neo-liberal market economy, but also the coercive apparatuses of the states around the world have been strengthened to face any eventuality of the new neo-liberal economic regime.

Coming back to the theoretical discourse on civil society, it can be stated that it was in Karl Marx's writings and reflections that the lack of civility in civil society acquired new dimensions. Marx pointed out that the sphere of civil society is not merely the ground where one man's selfish interest meets another man's selfish interest, but it is also the domain of exploitation in a specific sense. It is the place where the appropriation of surplus labour takes place. There can be no reconciliation of basically conflicting interests within the existing frame, since the frame itself is flawed. So, this historical stage must be transcended. And Marx categorically stated that the State in capitalist society is not an antithetical category to that of the civil society. Rather, the State is bound to remain in force to ensure guarantee of the protection of private property as well as the law and order for smooth functioning of the capitalist market economy. In terms of interest, as long as capitalist class enjoys hegemony, there is no conflict between the state and civil society.

Antonio Gramsci carried forward the Marxian project. Gramsci informs us that in the capitalist society the power is diffused at various sites and takes various forms. The distinction Gramsci makes between political and civil society is also a distinction between the sites and forms of power. Political society is the location, where the coercive apparatus of the state is located- in prisons, judicial system, the armed forces and the police. *Civil society is the location where the state operates to enforce 'invisible, intangible, and subtle forms of power, through educational, cultural and religious systems and other institutions.* The political society disciplines the body through its penal codes and prisons, but civil society disciplines the mind and the psyche through these institutions. More importantly, if the latter are present and operative, then the former is just not required except in moments of crisis, when the system itself is threatened.<sup>16</sup>

All these contradiction of liberalism have assumed alarming intensity with the consolidation of the neo-liberal state in a different context of consolidation of global capitalism in late twentieth and early twenty first century. The neo-liberal state, for its legitimacy, keeps on referring to the basic logic of liberalism and the significance of the non-state forces, particularly of the market as the determining force for unbridled progress both of development and democracy. However, as has already been pointed out, a close scrutiny shows that this neo-liberal state, even, does not conform to the basic logic of liberalism. As a result, the state under neo-liberalism has emerged as more powerful and aggregated both in terms of coercion and intervention. This

state and the forces benefiting from it have used various non-state forces to bring legitimacy for its continuance. So, the neo-liberal state is 'full of contradictions' which needs to be revealed carefully in any discourse on development, democracy or human security.

Contemporary formulation on civil society, on the other, consciously attempts to escape the structures of pervasive and deep-rooted power of both the state and the market. According to this formulation, on the one hand, the state is characterized by the logic of power and on the other, the economy is characterized by the logic of cold calculation. "The logic of civil society must necessarily be different to both the state and the economy simply because it is expected to provide an antidote to the both." Accordingly, as put by this formulation, completely different sets of emotions and completely different sets of human interaction define civil society, and demarcate it from both the state and the economy. "Associational life, consequently, comes to be conceptualized as the third way between the unbridled individualism and the atomization of modern life on the one hand and a state-market dominated existence on the other."<sup>17</sup>

Appears to be very benign, the contemporary formulation of the civil society, however, "turns its back upon the idea of power, domination, and oppression, and embraces "feel good" theorization."<sup>18</sup>

### Ambiguities of the Neo-liberal State

As pointed out above, the consolidation of the neo-liberal state has grossly failed to address the wide-ranging dissatisfaction with the state around the world. Rather, in the interest of global capital, the state has emerged as an exclusive domain of the 'dominant economic forces' as against its earlier status of 'public domain' and this new state has been sustained through coercive rather than democratic means. In other words, under the new international economic and political milieu, although the State has been de-centered and disaggregated, but it still continues to establish the essential infrastructure and juridical conditions of markets, private property and contract within their territorial domain. Besides, the discourse on disaggregation runs parallel to that of coercive trans-state aggregation at different levels. And here lies the myth of disaggregation of the State.

As a result, what one witnesses in the current moment is a phenomena, what Ujjwal Singh calls a "Permanence of the Temporary" i.e. the continuing existence of a "spate of anti-terrorist laws world wide, under a so called 'international consensus', which has become more explicit over the Bush doctrine of 'spreading democracy'" in the aftermath of 11<sup>th</sup> September attack on WTC and Pentagon.<sup>19</sup> In case of India, one

could very well witness the aggregation of the coercive apparatuses of the state, importantly under the Vajpayee Regime of Second Generation of Economic Reforms- the high proclaimed way for unbridled self-initiative, enterprise and freedom-, through extraordinary laws and ordinances like Prevention of Terrorism Act (POTA) 2002. The POTA has been repealed by the new UPA Government, but only with aggregation of coercive power in the already existing laws of the state.

Indeed, the recent history of India witnesses the ugly aggregation of the state through extraordinary laws. There has been an almost an unending string of extraordinary laws in recent history, from TADA, 1985, 1987 through efforts to bring in the Criminal Law Amendment Act and a Prevention of Terrorism Bill after TADA expired in 1995, to POTO and POTA, 2002. Such laws, as can be seen in the case of TADA, have a definite and prolonged 'life after death' so that cases under TADA continued to be tried in various designated courts and the Supreme Court several years after it expired.<sup>20</sup> The new UPA government at the center in India, although has repealed the POTA through an ordinance, but has exhibited its gross insensitivity towards the unprecedented people's upsurge against the Armed Forces (Special Power) Act in Manipur in the North-East India. The new Government has also attempted to aggregate the coercive apparatus of the state in some old existing laws at the very moment when it has repealed POTA calling it a draconian one.

The Generations of Reform, implemented under the neo-liberal regime, on the other, have not brought about changes into the Nehruvian "homogenized vision of development" through which the state acts as the ultimate agency to plan and implement development projects. In India like other parts in the world, the process of liberalization has failed to do away with the undemocratic-hierarchical-technocratic and bureaucratic planning process. Rather, it has become more non-transparent as well as undemocratic in the recent past. In other words, the planning process is more coercive and undemocratic today than ever before. The people's struggle against the 'demonic state' either in Narmada Valley or in the bank of Pagladiya River in Assam may be the cases for reference. All the more, even the low-intensive representational democratic polity has also been dismantled by the current neo-liberal international regime with the aggregation of power at the international levels by the international financial institutions like World Bank or IMF. UNDP pointed out that although developing countries are deeply affected by the decisions of the institutions such as the IMF, World Bank or WTO today, they have little power in their decision-makings. There is an unavoidable democratic deficit in international organisations because people do not get directly elect (or throw out) their representatives. The important decisions are taken in the Board meetings where the developed countries have got un-proportionate decision making powers.

The construction of this state is bound to invite challenges from various quarters. Because, for about a half century people around the world- particularly from the lower middle and lower classes have perceived the state as a public domain and pinned their hope on it to remove many of the obstacles in individual and community life. Although the disenchantment towards the state was all encompassing around the world, but the movements taking place outside the domain of the state could not explore the mechanisms outside the state itself to bring resolution to the problems. Rather, the state continued to remain, except for the ultra revolutionaries and ultra-liberals, a rallying point of resistance and hope. Even many of the movements like ethnic movements in a multi-linguistic, multi-ethnic and multi-cultural society like India aimed at accommodation within the legitimate spheres as permitted by the state. Environmental or women movements also did not explicitly demand the total banning of the state. Rather sensitization of the state or eliminating its coercive and patriarchal nature was the main objectives. Even, the women movements could not afford to rely on sphere of the civil society, which is more patriarchal than even the 'procedural democratic state'. The civil society movements, except for the neo-liberals, did not find the juridical legitimacy elsewhere other than in the state. So, rather than withering away the state, the important objective for most of the people's movements has been to make it free from exclusive class, caste and gender domination. In other words, the gross disenchantment with the state and the resultant movements demanded a more transparent, gender and caste sensitive as well as an accountable state. These movements did not demand banning of the state as a move towards the unbridled, so-called competitive and transparent market. These movements understand well that the neo-liberal market cannot bring resolutions to the multiple contradictions available both within and outside the state.

### Legitimizing and sustaining the neo-liberal State

As a part of bringing legitimacy to the pro-capital neo-liberal state, consistent attempts have been made at different levels. Varieties of these on "Endisms"- "End of State"; "End of Society" or "End of History"- along with the attempt to replace 'politics' by 'social capital' or the state by 'governance' have been very important in this regards. A comprehensive review of all those categories and attempts will be out of relevance in this context. But, a select reflection cannot be avoided to understand the growing consolidation of the neo-liberal state.

One of the early attempts towards legitimization of the emerging neo-liberal regime has been Francis Fukuyama's "*The End of History?*" written in the backdrop of the collapse of the East European socialist bloc and the crisis in the erstwhile USSR in the year 1989.

In the said article, Fukuyama argued that a remarkable consensus concerning the legitimacy of liberal democracy as a system of government had emerged throughout the world in the past few years, as it conquered the rival ideologies like hereditary monarchy, fascism, and most recently communism. More than that, defining equality and liberty as the core principles of liberal democracy, Fukuyama argued that liberal democracy may constitute the 'end point of mankind's ideological evolution' and the final form of government and as such constitutes the 'end of history'. Fukuyama did admit that today's stable democracies like the United States, France or Switzerland were not without injustice or serious problems. But these problems were ones of incomplete implementation of the twin principles of liberty and equality on which modern democracy is founded, rather than on the flaws of the principle themselves.<sup>21</sup>

Fukuyama, although, did not categorically speak on the new configuration of liberalism in the current moment, but he referred to the expansion of market economy and called it to be contributory towards furthering liberal democracy.

"And yet, the good news has come. The most remarkable development of the last quarter of the twentieth century has been the revelation of enormous weaknesses of the core of the world's seemingly strong dictatorship, whether they be of the military authoritarian Right or the communist totalitarian left. From Latin America to Eastern Europe, from Soviet Union to Middle East and Asia, strong Governments have been falling over the last two decades. And while they have not given way in all cases to liberal democracies, liberal democracy remains the only coherent political aspiration that spans different regions and cultures around the globe. In addition, liberal principles in economics- the 'free market'- have spread, and have succeeded in producing unprecedented levels of material prosperity, both in industrial developed countries and in countries that had been, at the close of the World War II, part of the impoverished third world. A liberal revolution in economic thinking has sometimes preceded, sometimes followed the move towards political freedom around the globe."<sup>22</sup>

What does it mean is that within the current hegemonic (capitalist) moment in history any possibility of alternative ideological imagination has been forcefully wiped out. Neo-liberalism- and arising out of it the socially defunct state and market orthodoxy, has been projected as the only alternative and the thesis of TINA- meaning *There is No Alternative*- has also been widely propagated. In fact with almost all countries around the world, including Socialist China and the erstwhile Socialist Bloc, adopting this "TINA" phenomena to be the best option for survival and prosperity, the alternative political imagination has virtually come to an end not only at the highest decision making levels but also among the majority of the enlightened categories

even of the third world countries, whose history of the past and particularly the history of the anti-colonial struggles, otherwise, were marked by search for alternative political imaginations – whether it was Gandhi's "Swaraj" through non-violence in India, or Mao's Neo-democracy in China or Julius Nyerere's African socialism-Ujamaa in Tanzania. Even the ideology of Non-alignment as an alternative to Bipolarity or multi-polarity in international politics also collapsed. More tragic is the case in the United Kingdom. The Labour Party under Tony Blair eliminated all its marks of distinction from a rightist party by taking high interest possible and acting like a Junior Secretary of the State Department of the USA in favour of conservative neo-liberal policies.

Along with this 'propaganda of End of History and other Endisms', definite attempts have been made to 'depoliticise' either the notion of development or 'democracy' along with to depoliticise the very sphere of 'civil society' itself. The categories like 'social capital' put against 'politics' and 'governance' put against 'state' have been crucial in this regard. Any critical discourse on neo-liberal state must take up these categories very seriously.

De-politisation attempts to de-functionalise the very mode of resistance through collective and political mobilisation. It is an attempt to maintain the status quo or the established order either with all of its contradictions or with some minor cosmetic reforms. Its basic objective is to keep people confused about the contradictions of a given society or of a particular historical situation. At a moment, when people's consciousness and aspirations for democratic rights has reached a definite stage, then, denying those rights in an explicit way or their suppression through coercive means become an impossibility. This is to be done through sophisticated means-through propaganda and manipulated discourses. Antonio Gramsci, as has already been stated, dealt with this situation extensively through the concept of '*hegemony*'. In our time, Noam Chomsky has been extensively writing on it and his notion of "*Manufacturing Consent*" has been receiving world wide attention in this regard. In our time, the mechanisms of depoliticization assumed greater strength particularly after the collapse of the erstwhile socialist regimes and the consolidation of neo-liberal economic regime since the last quarter of the twentieth century. Eric J. Hobsbawm, the celebrated historian of our time, has attributed this mode of depoliticization both to the logic of neo-liberal market economy as well as to that of the unprecedented development in science and technology which has gradually eliminated the spaces for political mobilization through people to people contact and interaction.

Pointing out this problem, Hobsbawm writes that free-market theory effectively claims that there is no need for politics because the sovereignty of the consumer should

prevail over everything else. Under this formulation the market is supposed to guarantee maximum choice for consumers, and allows them to satisfy all their needs and desires through that choice. This route, however, bypasses the political process, and makes it a by-product or derivative of the market. Hobsbawm has also pointed out that this is the reason behind the tremendous spread of occupations like public relations and spin doctoring, and the application to politics of systems such as the focus group, which are in fact modeled on market research. This undermines the function of citizenship. "If consumers are able to achieve their aims by exercising their power of choice everyday through the purchase of goods or the indication of their opinions to the mechanisms of media consultation, what exactly remains of citizenship? Is there still need to mobilize groups of people for political objectives? This development destroys the very foundation of political procedures."<sup>23</sup>

On the other, the role of the state has also been gradually taken up by NGOs. There has been proliferation of NGOs around the world in parallel to the consolidation of neo-liberal market and neo-liberal state. And, most importantly many of these NGOs have international networks. Authentic reports suggest that in 1839 there was only one International NGO- the Anti-Slavery Society. The numbers increased to 32 in 1874. In 1994 the number of International NGOs was 1,083, which increased to 37,000 in the year 2000.<sup>24</sup> Apart from these international NGOs, there are thousands of NGOs at the national, regional and local levels.

According to the Union of International Association, membership in international NGOs in low- and middle-income regions has increased faster than in high-income regions, with biggest increase in Asia and Eastern Europe. In 1996 the largest-ever survey of non-profits found more than 1 million such groups in India and 210,000 in Brazil<sup>25</sup>

In deed, today it is the NGOs who occupy the larger space within civil society. And its role has increased at the cost of other actors such as social movements and voluntary social associations. The NGO sector enlarged its activities to cover all available areas of political action from environmental decay, to human rights, to women's issues, to local self government, to training and imparting skill for livelihood, to effecting people's participation in local self government bodies. Accordingly it also gradually acquired an astonishing degree of control over major decisions such as what kind of development should the country adopt, to the movement against big dams, to the kind of popular participation that should be effected in the rural areas. As a result of this increasing prominence assumed by the NGOs today, most of the donor agencies have started channelising their grants through the NGOs. "In fact, bilateral assistance, which in theory provides a combination of grants and loans for both governments as well as NGOs, is increasingly channeled to NGOs in develop-

ing countries. The Organization for Economic cooperation and Development reports that the proportion of total aid from member countries channeled through NGOs rose from 0.7 per cent in 1975 to 3.6 percent in 1985, and to at least 5 percent in 1993-4, or some US\$ 2.3 billion in absolute terms".<sup>26</sup> The UK based Overseas Development Institute reports that in the decade leading to 1993-4, the UK increased its funding to NGOs by almost 400 percent. In 1993, Canadian official development assistance to Canadian NGOs reached 70 percent of total aid. The story is the same in the case of NGOs from the US, and Swedish NGOs. The European NGOs also allots US \$80 million to NGOs in the South, with larger and more influential NGOs receiving a disproportionate amount of funding.<sup>27</sup>

No doubt, both the NGOs as well as the transnational associations have played a positive role in focusing on the new challenges as well as helping people to fight against them without the bureaucratic checks and balance of the state system. These NGOs and associations have also empowered the people in terms of perceiving the problems in an alternative way as well as defining the solution differently from that of official versions. However, the explosion of these associations and initiatives has posed severe challenges to the very foundation of politics and democracy. On the other, all these also have provided legitimacy to the process of consolidation of the neo-liberal state as these have asserted that the severe challenges to people's problems could amicably be resolved without the assistance of the state. Many theorists are afraid of the fact that NGO Raj indirectly legitimizes the hegemonic mode of neo-liberal domination. The political theorists have argued that the new normative vision articulated by the NGOs not necessarily transcends either the values of the state or the values of the global capitalist economy. They have also failed to transcend those power structures that they have claimed to counter. So, NGOs "not only speak the same language that the state does, they mirror the same values as the neo-liberal/post-Washington Consensus does-push back the state and free the economy and the community."<sup>28</sup>

As a result, the very foundation of politics as well as that of its rallying point- a democratic and accountable state- erodes. The mode of articulation and aggregation of interests, without outside intervention, the evolution of representational leadership, the art and courage of questioning the existing power relationships-, which is the core of democratic politics etc will lose ground with the consolidation of neo-liberal state. The agencies, which carry out this process- the political party or other organizations like trade unions will also lose popularity as a result of it.

The global trend indicates that both in case of political parties as well as trade unions there has been a consistent decline of membership, both in the developed west as well as developing East.

However, the crisis is not merely confined to the decline of membership. People's trust on political parties is also declining at a fast rate. With that, other institutions, such as armed forces, church or a single political office like President are occupying high trust. For example in Central and Eastern Europe, political parties receives low priority (less than 20%), whereas armed forces receives highest priority in terms of trust. (Around 45%). Church also receives good priority and next to it is the President. National Congress, Judiciary etc.- the core institutions in a democratic polity, receive very little respect and trust from the people. In case of Latin America also the trend is more or less same- Church receiving highest trust among the people and next to it is the armed forces. Political parties, National Congress and Judiciary receiving very low priority among the people.<sup>29</sup> All these are bound to weaken the very foundation of democratic polity of a country. Although, the proponents of 'End of History' asserts that the post cold war neo-liberal era marks the dawn of a sustainable democratic era, but the practical trend do not support this proclamation.

As an alternative to politics, neo-liberal forces brings into operation another mode of social relation for action known in the hegemonic democratic discourse as 'social capital'. The notion of 'social capital' received wide currency with the publication of an important book by a Harvard Professor Robert Putnam titled "*Making Democracy Work: Civic Traditions in Modern Italy*" in 1993. Putnam defines 'social capital' as: "trust, norms and networks, that can improve the efficiency of society by facilitating coordinated actions"<sup>30</sup>. Putnam stressed that 'social capital' and the closely related idea 'trust', and the ideas and activities around 'civil society' (held to be the sphere of association, outside the state, in which people freely participate), 'participation', and non-governmental organizations have come to constitute new weapons in the armoury of 'the anti-politics machine' that is constituted by the practices of 'international development'<sup>31</sup>. John Harris, a critic of 'social capital' argues that these are clever ideas, which suit the interests of global capitalism because "they represent the problems that are rooted in differences of power and in class relations as purely technical matters that can be resolved outside the political arena. They are directed in particular, therefore, against movements of the political left for progressive socio-political and economic change, that do identify the roots of poverty and social deprivation in class differences."<sup>32</sup>

Once the unbridled market economy came under attack both from outside and within the hegemonic block and its institutions, the new notions have already captured the imagination of this block that can save it from the crisis of 'rolling back the market' and 'bringing the state in'. Civil society emerged as the most viable strategy and for sustaining 'civil society' in its most depoliticized form they searched some form of new notions that can prevent the coming in of radical discourses, which constantly questions the multiple inegalitarian domains both in international economy and in

the existing states. Putnam's version of 'social capital' emerged as the most viable one in this regard. John Harris informs that until about 1997 the idea of social capital was not an established part of the 'development' lexicon. Now it has become so attractive that World Bank has even produced a web site on it (accessible at: [www.worldbank.org/poverty/scapital](http://www.worldbank.org/poverty/scapital)). The Home Page of this website carries the headline: "increasing evidence shows that social cohesion-social capital-is critical for poverty alleviation and sustainable human and economic development". Its definition of social capital conforms to that of given by Putnam as one prominently displayed box defines social capital a 'the norms and social relations embedded in the social structures of societies that enable people to coordinate people to achieve desired goals.'<sup>33</sup>

To sum up the discussion on the theory of neo-liberal state, it can be argued the neo-liberal state is a product of the new form of global capital although it appears to have emerged from a wide range of disenchantments with the collectivist state. This state has gradually been grounded in market economy rather than on democratic politics. This state has been sustained not at all through the 'competitive' or the 'transparent' market but by a wide range of sophisticated discourses ranging from civil society to social capital. Unprecedented development in science and technology, which provided a ground for 'depolticisation' also helped in sustaining this state. The non-state forces like some NGOs or TNC which appears to have challenged the hegemonic world order, but in reality, has helped towards its consolidation by focusing on growing inefficiency and irrelevance of the state. The state rather than 'withering away' under neo-liberalism has strengthened the 'pro-capital' and 'anti-people grip' converting itself into the 'exclusive' domain of the global capital. In other words, the neo-liberal state is incompatible by nature with social justice, democracy or human security, as it, rather than addressing and eliminating the multiple domains of exploitation, domination and subjugation, inserts new forms of exploitation and domination married into the interest of global capitalism.

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## Towards an Integrated Relationship

Abu Nasar Saied Ahmed

*India and Japan: Blossoming of a New Understanding* edited by Rajaram Panda and Yoo Fukazawa (New Delhi: The Japan Foundation and Lancer's Books, 2004) page 246.

The book is a commemoration of a fruitful and eventful decade of the existence of the Japan Foundation Office in New Delhi. The Foundation has been able to make a mark in the academic and cultural life of India. The present volume is a testimony of its intellectual endeavour in organizing a meaningful discourse on the wisdom of both India and Japan and to find out how the two nations can, Yoo Fukazawa philosophically argues, share and harness these transcendental values of human civilization. It did not take much time for both the countries to overcome the negative impact laid by the Cold War divide and look forward to cultivating a "blossoming relationship". Very recently in an interview given to *The Hindu*, Japanese Prime Minister Junichiro Koizumi stressed on a broad policy of cooperative relationship with India on the basis of shared values such as democracy and "convergence of strategic interests". Therefore, he said, "Japan and India need each other as a strong, prosperous and dynamic partner". Noting that India is now "stridently emerging as a global power" and recognizing its essentiality for peace and stability in the world, he finds that both can forge economic interactions on the right track. The book under review, published one year back, contains the philosophical foundation of a premonition of such a mutually beneficial relationship.

Despite occasional aberrations, the general respect for multiculturalism is the core ingredient of Indian culture. Harping substantially if not wholly, on the commonality of cultural contours of life in the two countries and resting on the historical roots of Buddhism, India and Japan have in the recent years consolidated unfolding benefit of shared culture and wisdom. The articles and the long introductory note testify to the shared values of the two important members of the Asian continent.

The edited volume contains nine articles, besides the introductory remarks of Rajaram Panda, arranged thematically to underscore what Yoo Fukazawa has aptly stated, "Japan and India would be able to work together towards better understanding among the people and for peace. The wisdom of both the countries can be harnessed towards the end." The book under review is a modest reflection of shared wisdom, and therefore, is an important contribution to the world of knowledge, that unfolds India-

Japan cultural and intellectual relations.

Rajaram Panda's long Introduction is a survey on the Japan Foundation's continuous efforts to expand its cultural links with different countries in Asia. The cultural diplomacy which had been tied with economic consideration in the early post World War II period eventually became an integral part of the Japanese participation in Asia. But with the end of the Cold War, the cultural element superseded the economic consideration and it 'acquired independent standing'. The immediate result of the significant change is the establishment of the Japan Foundation office in New Delhi. The second part of the Introduction is a meticulous articulation of Japan's success in changing its past negative image in Asia. The result is astounding, when assessed statistically the cultural, educational, scholarly exchange of peoples between Japan and Asian countries. The Japanese concept of *kokusaika*, meaning an opening up of Japan to Asia, went off well, a fact that has been registered in the Part III of the Introduction. The argument has been reinforced by Panda's brief treatise on cultural diplomacy which spells out the achievement of mutually beneficial relationship between India and Japan in the post Cold War decade.

The contents of the two articles on the involvement of the academics in Japanese studies in India and Indian studies in Japan (Partha S. Ghosh's article) and Japanese Studies in India (Chintamani Mahapatra) appear to be overlapping. Instead of two articles one article would have economized the space and intellectual efforts to establish the fact that the academia in the two countries has been responsive to the overall demand for exchange of wisdom and ideas for mutual benefit. While Partha S. Ghosh has a broader landscape of area studies to locate fairly good number of Japanese studies mainly on international relations conducted in the premier Indian universities like Delhi University and Jawaharlal Nehru University, Indian studies in Japan have been essentially on Indian classical literature and philosophy. Chintamani Mahapatra has nothing new to add to whatever has been lucidly placed by Ghosh. The flashpoint for consideration as the book unfolds itself is the language barrier that has caused difficulties in the overall desire of academics in embarking on an intellectual engagement which might facilitate a climate for more people-to-people contact between the two nations.

Japanese language teaching and training in India is an interesting subject for those who are involved in language studies. In India's North East, during the time of World War II, when the Japanese forces were advancing towards the region and an impression was floated that the Indian National Army in collaboration with Japanese would liberate this part of the world from the British occupation, a short-lived enthusiasm could be seen to learn Japanese language with the expectation that Japanese language would replace English within a short time. Leaving aside that transitional eu-

phoria, two articles, one by P.A. George and the other by V. Ramalakshmi are significant contributions to understand the status of Japanese language and training techniques and methodologies in India. P.A. George has historicized the development of into the relations between two important members of the continent of Asia. It would have been more academically worthwhile if an essay on diplomatic relations between the two could have been enlisted in the volume. No academic work is self-fulfilling and complete, therefore, each academic endeavour shows the way for the future. The book under review is a pointer to the future in a substantial manner.

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Social Change and Development is a journal of Omeo Das Institute of Social Change and development, an institute of Social Science Research co-sponsored by the Indian Council of Social Science Research, New Delhi and the Government of Assam. The journal intends to provide an academic platform to scholars belonging to the northeastern region of India as well as outside the region to project issues of social relevance.

The Journal solicits original articles from scholars on topics of social sciences more particularly pertaining to the north-east. The articles should follow the format of articles published in the journal. The manuscripts should be neatly typed in double space, preferably in MS-Word format. Times New Roman Fonts, sized 12 points. The articles must be accompanied by an abstract of about 150 words. Two copies of the article and abstract along with a floppy containing the article should be sent to The Editor, Social Change and Development, Omeo Kumar Das Institute of Social Change and Development, Sapta Swahid Path, Dispur, Guwahati - 781006. Additionally the articles may be submitted for publication via email : [dkdscd@yahoo.co.in](mailto:dkdscd@yahoo.co.in). The articles are properly reviewed and edited before publication. In some cases, authors may be requested for further revision by the Editorial Board.