

National Seminar
Grassroots Reachout & Networking in India on Trade & Economics (GRANITE)
Choki Dhani, Jaipur, Rajasthan, November 13-14, 2005

The two-day national seminar under the GRANITE was organised to take stock of the happenings in the eight project states at *Chokhi Dani*, Jaipur, Rajasthan, India, on November 13-14, 2005. It also aimed to facilitate interactions among different stakeholders from media, academia, civil society organisations (CSOs), grassroots representatives on agriculture, handloom and trade union workers on emerging issues of globalisation *vis-à-vis* its impact on the poor.

November 13, 2005

Inaugural session

Keynote address: Pathways to Make Economic Reforms in India More Pro-poor

Indrani Majumdar from Centre for Women's Development Studies, Delhi, spoke about the pathways to make economic reforms work for poor and asked why package of reforms since 1991, in spite of enhancing growth in the economy, has not benefited the poor.

She expressed concern over the growing social disparity between urban middle class and the urban poor due to large inflow of foreign capital and investment, which on one hand, enhances living conditions of businessman and industrialists, and on the other, leads to reduction in the wages of the poor.

She further said that steep fall in the public investment on agriculture and rural India has paved the way to unemployment and reduced productivity, which has, consequently resulted in the decline in output and consumption pattern. Input cost has been increased, while commodity price have fallen, she added. Agriculture needs state protection through subsidies and minimum support price. The state has to play an active role in confronting the extreme poverty.

Milind Murugkar from *Samarthan*, Mumbai, however, argued that it is not the neo-liberal attitude, which is responsible for farmer's dismay but orthodox and invert protectionist policies that are harming the poor farmers.

GRANITE Project: Experience from States

Moderators: Bipul Chatterjee, CUTS-CITEE, Jaipur

Lori Roskam-Cajegas, Novib (Oxfam, The Netherlands)

Lori Roskam Cajegas briefed the South Asian Trade Programme of Novib that has been operating for a couple of years in South Asia. It includes programmes on trade and agriculture, political participation, working closely with Millennium Development Goals (MDGs) monitoring and Global Call for Action against Poverty (GCAP). She further stated that GRANITE supports Novib's objective of improving food security and ensuring better market access. While stressing the need for the project partners sharing their experiences and learnings during project implementation, she asked a few vital questions like what we mean by grassroots people, who they are and what areas we would like to target, etc. Another set of questions included why they were there, Why this is important, how the project partners see themselves in this network in the globalisation era. Representatives from all the project states shared their experience gained during project implementation on various issues, which include:

Maharashtra: Two outreach meetings were organised at Nasik and Sangamner block, Ahmednagar district, in which about 200 farmers attended. At Nasik, small farmers, including most of the grape growers, who have recently ventured into the European market, attended the meeting. . Their primary concern was directed on how to attract more farmers; to power the

resistance against subsidised imports; and how to tap international market. The meeting at Sangamner was attended by smallholder farmers and exporters, majority of them having high levels of literacy and political awareness. Resource persons explained about the WTO Agreement on Agriculture (AoA) and EUROGAP norms and the way farmers can comply with it.

Orissa: An outreach meeting was conducted with small and marginal farmers at Bhubaneswar. It was found that the farmers in the state are more concerned with the day-to-day requirements of agricultural inputs, such as seeds, fertilizers, water, etc. Issues concerning WTO were not directly discussed with them. It was mentioned that all the issues that farmers are facing should be taken to policy-makers. Capacity building of media persons should be undertaken so that they can write on such issues. Also, alternative media should be adopted while catering to different sections of society.

The target groups included policy-makers, media, civil society organisation (CSOs) and people at the grassroots. Based on the activities conducted with each of the target groups, it was found that the policy-makers lack awareness about World Trade Organisation (WTO) cell, and even the state government is very passive about export policies. Moreover, the media and CSOs also lack clear understanding on these issues. Hence, there is a need for better coordination among all stakeholders.

Tamil Nadu: The project management team reported that during the project implementation period, there has been a considerable capacity building activities within the organisation and the staff. At field level, it was observed that there exists lack of awareness about WTO issues. Furthermore, there exists ample ambiguity on local and global issues. It was found that there was receptiveness among government people about the WTO phenomenon. To fill in the existing gaps, the CSOs can play a very proactive role. Under the project, an outreach meeting was organised at Coimbatore, in partnership with Tamil Nadu Agricultural University (TANU), wherein presentation was made on WTO in the local language.

Andhra Pradesh: Three outreach meetings were organised in the state. It was learnt that there was a need to undertake capacity building of different stakeholders on the issues concerning WTO. Economic issues have to be translated into a language, which can be understood by the stakeholders. Also, the people at the grassroots do not understand that how to link the local issues with the happenings at international level. Hence, There exists a need to explain to the stakeholders to the factors *vis-à-vis* the impacts i.e. sequencing of impact needs to be done. Also, the people at the grassroots are more concerned with their daily lives irrespective of the changes at the international level. Thus, need to create linkages, both forward and backward, with farmers should be the priority.

Karnataka: A WTO workshop was organised with media representatives, farmers and government officials. The workshop aimed to give presentations on the workings of various issues concerning WTO. K T Gangadhar, Tulip cultivator, Karnataka, stated that the farmers wanted scientific prices for their produce and a respectable market instead of subsidies. He further added that farmers who have always produced for the domestic market find it difficult to adjust to the demands like producing organic crops or growing for the international market. Moreover, the government must address problems concerning water management.

Uttar Pradesh: Five outreach meetings were organised in different parts of the state with the objectives of sensitising the community, who have been supporting and sustaining the knowledge on WTO issues. The common issues emerged from these meetings were: micro-credit, organising and mobilising community groups, lack of awareness on WTO issues, need for

marketing avenues and infrastructural facilities. Recently, advocacy efforts for the formation of State Trade Policy Council (STPC) were also initiated.

West Bengal: Based on the activities conducted with different stakeholders, it was learnt that there was a need to demystify issues concerning WTO and globalisation amongst media, CSOs and government officials. However, CSOs have additional onus of bridging the gap that exists due to the lack of coordination between people at the grassroots and the policy-makers. It was found that the state has a larger base for sarees in the handloom sector. Certification is a major problem before the weavers, which should be addressed by the government. Also, the weavers have to buy raw material from *mahajans* in order to be able to sell the final produce back to them. In process, they are often exploited. The use of pesticides and fertilizers in high quantities, which lowers soil productivity, was found to be another big problem.

Rajasthan: Condition of farmers and weavers in the state is similar to that of other partnering states. Among the farmers, local issues need to be addressed first because they do not understand how these issues are linked with those at international level. Like Bengal, handloom weavers are facing problem of duplicity by powerloom and mill owners. Moreover, media lacks clear understanding on the WTO issues and thus cannot cover them in the right perspective. Even the government officials are not clear about their role in promoting trade. Ironically, they are willing to open newer institutions/bodies for trade promotion but are unable to sustain the existing ones. It was felt that the CSOs needed to play the role of bridging the existing gaps and facilitate an environment of trade promotion.

Economic Reforms in India & Pro-poor Governance: Issues & Concerns

Amit Prakash, Jawaharlal Nehru University, New Delhi informed that economic reforms of 90s in India coincided with the integration of economic growth worldwide. Although economic reforms have had some positive impacts on the economy, it has not been evenly distributed among and within the countries. Now the challenge is how to integrate growth with development policies. Citing the lack of democracy in the policy making, he said that the policy planning and implementation have been dominated by technocratic planning.

Swapan Garain from Tata Institute of Social Sciences, Mumbai lauded the positive impacts of economic reforms on economy through globalisation, liberalisation and privatisation. However, he questioned the extent to which it has benefited the poor emphasising the need for sustained and rapid growth, including infrastructure and public services to improve the living standards of the poor. He lamented the weak reforms at the rural level and sharp decrease in government spending on rural areas, which is responsible for low-level production, and subsequently low level of living standards, because people failed to take advantage of the new avenues. And lack of capacity has been the reason for People not communicating their needs to the government, he added. There is, therefore, need to promote pro-poor governance: developing human /physical assets of the poor, making markets work better, promoting agriculture and development, and finally providing a safety net.

Bharath Jairaj from Citizen civic & consumer Action Group (CAG), Chennai mentioned that exposing issues at the micro level would not suffice it, and thus, emphasised the need to look at the larger picture. He lauded GRANITE that seeks to achieve this by expanding the micro level to the macro level.

Peoples' Perceptions on Globalisation and International Trade

Souribandhu Kar, All India Trade Union Congress (AITUC), Orissa stressed the need for a change in government policy *vis-à-vis* unorganised sector which employs 39 crore people who are deprived of minimum wages and social security.

Anil Singh, Network for Entrepreneurship & Economic Development (NEED), Lucknow presented an overview of general and specific perceptions among different sections of society, including women at the grassroots on globalisation. While some perceive this as a vehicle for the select class of influential, well-informed and educated clusters of the society, others view it as power of mobilising and organising strength with collective voice, verbs and visibility.

Jayati Srivastava, University of Delhi presented a brief summary of the book entitled, 'Globalisation and Livelihood Concerns', which is based on the field survey on people's perception in Agriculture and Textiles & Clothing (T&C) sector in Rajasthan and West Bengal. People at the grassroots level are generally not aware about the globalisation or WTO, but are aware that some alien process is taking place, which is affecting their livelihood.

Dr R N Pandey from UP Council of Agricultural Research, Lucknow briefed on Pro-poor policies in UP and its subsequent impact on poverty reduction.

Pro-poor Economic Reforms in India & the Role of Media

Paranjy Guha Thakurta, School of Convergence, New Delhi stated that the media landscape has expanded drastically in the last decade in India increasing the number of channels/print media/radio stations, but still, media is not a monolithic entity with a huge gap in the standards of journalism. He said that t media is more interested in spreading spicy news i.e. glamorous soap operas and events rather than disseminating vital information, and for it one-third of India, which is poor and downtrodden, does not exist. She cited the exceptions however who are willing to write on issues, such as economic reforms, WTO, etc. It is the responsibility of concerned citizens to present real life experiences in a manner that is attractive enough for the media to ensure its coverage.

M Gunasekaran of *The Hindu*, referred to Tirupur, which is benefiting from the advantages of economic reforms, and has emerged as a major centre for knitwear exports for the international market. He explained that exports have increased from Rs 15 crores in the 1980s to Rs 5,200 crores in 2004 and has provided employment to nearly three lakh people most of whom are poor migrants from drought prone southern districts of Tamil Nadu and parts of Kerala. This has resulted in increase in standard of living of the workers. The entire growth has come from small and medium-sized enterprises (SMEs), and after the dismantling of Multi-fibre Agreement (MFA), the Tirupur exporting community is fast expanding and changing to a large-scale industry.

November 14, 2005

Reforms in Indian Agriculture & the Poor

KT Gangadhar Farmers' leader, Karnataka expressed his concern over the increasing number of suicides among farmers, which has rose to 50,000. In spite of increased production, farmers face a number of difficulties to fight poverty. He further added that when subsidies rise, prices in the market fall but the beneficiary is the middleman and industries, not the farmers.

Milind Murugkar from Samarthan, Mumbai highlighted the adverse impact of flawed government policies for poor farmers and suggested reforms needed at the national level, which will percolate down to help the poor. Rather than subsidies agriculture sector would gain more from public investment, he added.

Prof. Vidya Sagar from Institute of Development Studies (IDS), Jaipur, presented an overview of reform policies adopted by the government from pre to post liberalisation in India. Citing a case study on agriculture sector in Rajasthan, he emphasised that small economies or regions specialised in a commodity or two would need support from the centre to cope up with distorting policies at the broader level.

Handloom Sector in India: Way Forward for the Poor to Benefit

H L Vijayakumar from Bapuji Institute of Engineering & Technology, Karnataka while giving an overview of the handloom sector stated the majority of advantages accrued in the garment sector in WTO. But the WTO rules are skewed in favor of the consumers and the producers, which needs to be just the opposite, he added. He further pointed out the several lacunae in the full-fledged growth of the sector and complained that the government has also not supported to develop the sector to its full strength.

D Narasimha Reddy from Centre for Handloom Information & Policy Advocacy, (CHIP) Andhra Pradesh informed that the handloom sector has lost out in terms of space and time due to competition from other sectors. He emphasised need to focus the mindset of government officials towards modernisation as the key to improvement. He compared the handloom sector to the daughter in Indian families who is pampered and protected to the extent that her overall development gets obstructed. He stated that several legislative measures enacted in the past have not been able to do justice to this labour-intensive sector whose market; resources and funds have been eaten up by the powerloom sector.

Debasish Ray Chaudhari mentioned that handloom sector is the second largest employer in the country (after agriculture), providing direct employment to 35 million people in 2000-01. The textile sector is the largest net foreign exchange earner for the economy. Institutional support to the handloom sector is missing in – credit, research, technology, management and market development, he added. Drawing comparison between handloom and powerloom, he mentioned that after taking into account power tariffs, capital costs, independence from imports and other environmental & social factors, powerloom is not cost-effective *vis-à-vis* the handlooms.

The way forward lies in framing of policies, which support the strengths of the sector. Government should take initiatives to stand by the intellectual property rights (IPRs) of handloom producers to protect against large-scale duplication of handloom products by powerloom. Also, there are opportunities for contemporary entrepreneurship in devising new marketing channels to exploit the specific characteristics of contemporary handloom production. Also, there need to be models for workable collective institutions controlled by the producers themselves and on the lines of dairy cooperatives and self help groups (SHGs).

Hong Kong WTO Ministerial & Development Concerns

Veena Jha from United Nations Conference on Trade and Development (UNCTAD)-India presented Strength, Weaknesses, Opportunities and Threats (SWOT) analysis on developing countries' stance on trade negotiations. She emphasised that trade policies should be an integral part of development strategy essentially promoting growth and development in the developing countries and help them to achieve MDGs.

Valedictory Session

Prof V S Vyas Professor Emeritus, IDS, Jaipur, delivering the valedictory session stated that economic reforms have been bi-directional – integrating domestic economy into world economy and liberalisation of the domestic economy and emphasised the need for sequencing reforms with the capacity to implement them. He further pointed out that reforms are needed in: fiscal policies and public investment in agriculture; domestic market and supportive sectors (sectors which support agriculture – credit, marketing and extension). The role of CSOs should be reforming institutions, protesting and agitating and employing innovative ways.