

A Critical Look at Economic Governance in India

The Case of National Foreign Trade Policy



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Published by

CUTS
International

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With the support of



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Printed by

Jaipur Printers P. Ltd.

Jaipur 302 001

ISBN: 978-81-8257-115-0

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This paper has been produced with the financial assistance of Royal Norwegian Embassy, New Delhi and Oxfam Novib, The Netherlands under the project entitled, "Grassroots Reachout & Networking in India on Trade & Economics (GRANITE)". The view expressed herein is that of the author and can therefore in no way be taken to reflect the positions of CUTS International, the Royal Norwegian Embassy, New Delhi, Oxfam Novib, The Netherlands and the institution with which the author is affiliated.

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Preface

Since early 1990s, India is pursuing significant economic reforms and a more open trade policy regime is an important part of that. Consistent with the process of economic reforms, the National Foreign Trade policy of India, 2004-2009 was adopted by the United Progressive Alliance (UPA) government in the year 2004. The NFTP (2004-2009), which has replaced the Export Import (EXIM) Policy, is a watershed in the history of trade policymaking in India. In long-term perspective, NFTP proposes to use trade as a way to generate employment. Employment generation in turn would directly translate into welfare of the marginalised sections of society, thereby leading to their development.

The thrust of NFTP is on export promotion through efforts to increase competitiveness of Indian products in the global market. It aims to double India's share in global merchandise trade and capture 1.5 percent of global trade by 2009. The NFTP identifies definite areas for export promotion such as agriculture, handloom and handicrafts etc, and also infuses various sector specific schemes.

However, despite several schemes and provisions under NFTP, it appears that the benefits of increased trade are not percolating equitably to all sections of society. One of the fundamental reasons for this uneven distribution of benefits is lack of democratisation in the policymaking process. Hence, an analysis of democratisation of trade policy became imperative to ensure that the trade policymaking becomes more inclusive and participatory.

This research report endeavours to understand the policymaking process of NFTP, and to ascertain its impact especially at the grassroots. It discusses in detail the numerous issues related to institutional and implementation problems that exists on the ground. It traced the process of trade policymaking in a federal polity, the problems inherent in it and hurdles being faced. Lastly, it synthesised in detail the various grassroots demands and policy recommendations.

Most of the stakeholders at the grassroots feel that there should be adequate regulatory and institutional mechanisms to check corruption, followed by an annual review and amendment of policies with mandatory inputs of various stakeholders. It is also important to develop an ethos of result-oriented policies with a defined timeframe for the execution of a particular scheme. There were suggestions regarding regulatory changes, tax-structure, infrastructure, marketing facilities, development of human resources, accompanied by some other sector/state-specific recommendations.

In view of the well established fact that the formulation of the NFTP is a highly centralised process, this research strongly suggests that for effective operationalisation of the NFTP from a pro-poor point of view, active participation of the state, coupled with effective coordination and cooperation among various central and state agencies is absolutely essential. In recent times, Inter-State Trade Council and WTO cells in states have been assigned an important role in this policy making process.

The report further recommends the need to increase awareness about NFTP amongst the various stakeholders and to disseminate relevant information with the appropriate advocacy tools. The most effective way to make people's demands heard in the policymaking circles is mobilisation by raising awareness levels, especially through audio-visual media, given the widespread illiteracy among the vast majority. For an effective advocacy and meaningful policy intervention, a combined initiative of the government and its various organs, people's organisations, media, NGOs, unions and judiciary is required. In fact, the role of media in raising issues has been regarded as one of the most important channels to impress upon the government to act. In addition to this, it is felt that the *Panchayati Raj* Institutions (village-level institutions for local governance) should act as an important medium for the dissemination of information at the grassroots.

This research suggests that having an overarching policy to boost export without taking into account the regional and local needs compounds the problems associated with trade liberalisation. Problems like that of diminishing returns, infrastructural bottlenecks and exploitative middlemen require immediate attention, apart from ensuring transparency in local governance coupled with increased advocacy. It also brings to our notice the fact that schemes such as the NFTP are aimed at large producers and big export houses. Access to specific government trainings programmes and incentives is limited to few progressive and educated farmers. To add to this, there are no institutional mechanisms to educate either the small and medium-sized producer groups or exporters about the demands and requirements in the exporting markets due to which export potential cannot be fully realised. Even when producers know about the earning potential of certain crops, they are not able to market them.

This document is a well-researched effort by a group of civil society organisations, from eight states of India. It has been done as part of a project titled "Grassroots Reachout & Networking in India on Trade & Economics" (GRANITE). This is implemented with the support of the Royal Norwegian Embassy, New Delhi, and Oxfam Novib, The Netherlands in eight Indian states (Andhra Pradesh, Karnataka, Maharashtra, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh, and West Bengal). I thank them for their support.

One of the fundamental objectives of this project is to foster more equity and accountability in economic governance in India and ensure better economic literacy to generate a more coherent civil society voice on economic governance. This publication is an outcome of research undertaken in the first year of the project.

Finally, in introducing this publication let me thank all those who are and have been associated with this project in various capacities. I thank Jayati Srivastava, who has authored this publication.

I hope that this report can be of great help in supplying ideas and concepts in bringing about positive changes in the preparation and implementation of the next National Foreign Trade Policy of India since it comprises of stakeholders' demands and requirement, particularly those of the poor.

Bipul Chatterjee
Deputy Executive Director

Introduction

CUTS International, Jaipur, with the support of the Royal Norwegian Embassy, New Delhi, and Novib (Oxfam, The Netherlands), is implementing a project entitled, 'Grassroots Reachout & Networking in India on Trade & Economics,' in eight Indian states: Andhra Pradesh; Karnataka; Maharashtra; Orissa; Rajasthan; Tamil Nadu; Uttar Pradesh; and West Bengal.

The immediate context of the study is the National Foreign Trade Policy (NFTP): 2004-09 announced by the UPA Government in the year 2004. It has replaced the earlier EXIM policy and is an important landmark in India's economic policy as it aims at an integrated approach to trade and development. During this period, its objective is to double India's share in global merchandise trade and capture 1.5 percent of global trade by 2009 from the current 0.75 percent.

However, in the long-term, the NFTP's goal is to use trade as a means to generate employment, thereby achieving development and human welfare for large sections of its population.

The specific focus/target sectors for export promotion under the NFTP 2004-09 include:

- Agriculture
- Handloom and Handicrafts
- Marine Products
- Leather and footwear
- Gems and jewellery

Towards that end, a number of sector-specific schemes have been proposed within the NFTP to both facilitate and increase exports. The Ministry of Commerce and Industry has also announced an annual supplement of the policy in the year 2005, 2006, 2007 and 2008 to improve the NFTP for augmenting exports and employment.¹

In spite of such schemes, it has been observed that the benefits of trade are not percolating down equitably to all sections of the society because of the lack of democratisation in policymaking. Given the centralised and bureaucratic nature of policymaking processes in India, people at the grassroots are not consulted as a result of which policies do not produce the desired results.

Objectives

Given this context, the primary objective of this project is to work towards democratisation of trade policy and foster accountability and transparency in economic governance. It is aimed at working towards ensuring grassroots participation in the policymaking process and fostering economic literacy and awareness particularly among the marginalised sections of society so that they are able to derive maximum benefit from trade and in the process assist in their development and well being.

In its first year, the main objective of the research is to understand the policymaking process of the NFTP and to ascertain its impact, especially at the grassroots. The first year of research, in order to bring about pro-poor changes in the policy, also focuses on eliciting stakeholders' demands and requirement for possible inclusion in the next phase of the NFTP -2009-14.

Partner Organisations

The project is implemented in a partnership mode with the following civil society organisations (CSOs) in eight states.

State	Partner Organisation
Andhra Pradesh	Consumers Guidance Society (CGS), Hyderabad
Karnataka	Consumer Rights, Education and Awareness Trust (CREAT), Bangalore
Maharashtra	Samarthan, Mumbai
Orissa	Centre of Youth and Social Development (CYSD), Bhubaneshwar
Rajasthan	CUTS International, Centre for International Trade, Economics and Environment (CUTS CITEE), Jaipur
Tamil Nadu	Citizen consumer and civic Action Group (CAG), Chennai
Uttar Pradesh	Network for Entrepreneurship and Economic Development (NEED), Lucknow
West Bengal	CUTS Calcutta Resource Centre (CUTS CRC), Calcutta

Profile of States

The eight states covered under the study are quite diverse. They exhibit a chequered ranking with respect to human development index. While Maharashtra and Tamil Nadu are ranked number 2 and 4 respectively, Uttar Pradesh and Orissa are at a lower scale of 15 and 13 (see Table 1).

In terms of contribution to exports, Maharashtra's share is about 21.55 percent while Tamil Nadu's contribution is 10.98 percent. Other states' share in exports hovers around 3-3.5 percent with the exception of Karnataka (5.53 percent) and Orissa, which is the lowest among eight states at 0.94 percent (see Table 2).

Among the 12 towns which have acquired the status of town of export excellence, five fall under the states covered by the study, majority of them in Tamil Nadu (three) and one each in UP and Rajasthan.² Tirupur in Tamil Nadu is one of the largest foreign exchange earners of the nation fetching Rs50bn through 7,000 units of knitwear and hosiery and providing employment to around 600,000 people.

Table 1: Human Development Index (HDI) of Selected States

States	Education Ranking	Life Expectancy Ranking	Income Ranking	Overall HDI Rank
Andhra Pradesh	13	8	8	9
Karnataka	5	6	7	6
Maharashtra	2	3	2	2
Orissa	12	13	15	13
Rajasthan	9	10	11	10
Tamil Nadu	3	5	4	4
Uttar Pradesh	15	12	14	15
West Bengal	7	7	9	8

Source: <http://www.IndiaStat.com>

Table 2: Total Export from Selected States (2005-06 and 2006-07)

States	Export during 2005-06 (INR billion)	Export during 2006-07 (INR billion)	Percent growth of exports in 2006-07 over 2005-06	Percent share (2002-03) in Exports
Andhra Pradesh	178	247	38.91	3.63
Karnataka	493	573	16.32	5.53
Maharashtra	1416	1635	15.52	21.55
Orissa	34	89	38.48	0.94
Rajasthan	123	151	22.91	1.74
Tamil Nadu	448	592	32.21	10.98
Uttar Pradesh	150	164	9.53	3.03
West Bengal	157	181	15.10	3.82

Source: <http://www.Indiastat.com>

The Field Survey

The findings of the study are based on extensive fieldwork in various districts and villages in the eight states through focus group discussions (FGDs) and interview with relevant individuals, exporters, and government officials. The selection of district was undertaken by the partner organisations, keeping in mind the priority areas of the NFTP and the relevance of the district for exports (see Table 3).

Table 3: FGDs at the Grassroots held in Eight States			
State	Place of FGDs	Date of the Meeting	Main Crop or Product
Andhra Pradesh	Duggirala	25-26 January, 2008	Turmeric
Andhra Pradesh	Munnangi	25 January, 2008 12 February, 2008	Turmeric
Andhra Pradesh	Peddakurapadu, Guntur district	26 January, 2008	Mirchi
Andhra Pradesh	Chinna Obinenipalli, Besthavaripeta, Prakasam district	27 January, 2008	Sweet Lemon (Mosambi)
Andhra Pradesh	Madalavarigudem, Krishna district	16 March, 2008	Mango
Andhra Pradesh	Mangalagiri, Guntur district	17 March, 2008	Sarees, Dress Materials
Karnataka	Sirsi	25 March, 2008	Areca nut, other crops
Karnataka	Belguam	24 March, 2008	Handloom/Powerloom
Maharashtra	Trimbak, Nashik	22 February, 2008	
Maharashtra	Shethphal, Mohol, Solapur	24 February, 2008	Fruits, especially Pomegranate
Maharashtra	Ranmasale, Uttar Solapur, Solapur	25 February, 2008	Fruits, especially Pomegranate
Maharashtra	Dhekalewadi, Mohol, Solapur	25 February, 2008	Fruits, especially Pomegranate
Maharashtra	Telangwadi, Mohol, Solapur	25 February, 2008	Fruits, especially Pomegranate
Maharashtra	Jawalekadlag, Sangamner, Ahmednagar	20 January, 2008	Horticulture
Maharashtra	Nashik	17 February, 2008	Fruits (especially Grapes, Pomegranate), vegetables
Maharashtra	Kupkheda, Satana, Nashik	19 February, 2008	Fruits (especially Grapes Pomegranate), vegetables
Orissa	Maliput, Patangi block, Koraput	8 March, 2008	Vegetables, especially Ginger
Orissa	Mallick Para, Tikabali block, Kandhamal	13 March, 2008	Turmeric

Contd...

State	Place of FGDs	Date of the Meeting	Main Crop or Product
Rajasthan	Osia block, Bhopalgarh block, Jodhpur district	6-7 February, 2008	Cumin, Mustard, Chillies, Onions
Rajasthan	Padampur block, Sri Ganganagar block, Sri Ganganagar district	8-9 February, 2008	Kinnow, Oilseeds
Rajasthan	Jhalarapatnam, Bhawani Mandi and Khanpur blocks, Jhalawar district	16-18 February, 2008	Coriander, Oranges
Rajasthan	Jamua Ramgarh and Chomu blocks, Jaipur district	19-20 February, 2008	Vegetables, Fruits
Rajasthan	Jaipur	24 February, 2008	Gems, Jewellery, Vegetables
Tamil Nadu	Arani village, Ponneri thaluk, Thivallur district	16 June, 2008	Poly cotton, Cotton Sarees, Dress Material
Tamil Nadu	Near Anna Kudirupu Colony, Kancheepuram district	17 June, 2008	Silk Sarees
Uttar Pradesh	Upper fort, Ramghat Road, Sarai Rehman, Sarai Sulatani, Chappati, Purani Chungi, Vishnu Puri, Seema Talkies, Aligarh district	7-8 January, 2008	Locks, Clay Pottery, Brass polishing of Mortice locks
Uttar Pradesh	Kakori block, Lucknow district	18 December, 2007	Chikancari, Zardozi, Aromatic Plants, value-based agriculture products
Uttar Pradesh	Khurja, Bulandshahar district	9-10 January, 2008	Pottery
Uttar Pradesh	Lohanipur, Paltu Tanda, Gangaganj, Pharpur Khaso, Sarawan, Didaur, Barwar, Dariba, Bargada, Lakhansingh ka tola villages in Harchandpur block, RaeBareilly	—	Wheat, Rice, Potato, Sugarcane, Peppermint, Handicrafts
Uttar Pradesh	Kotla Chungi, Station Road, Dak Bangla, Nanavati Chauraha and S.G. Road, Firozabad district	12 January, 2008	Bangles, Glass Works
Uttar Pradesh	Kannauj district	13-14 January, 2008	Perfumes made from Sandalwood oil, Flowers base.
Uttar Pradesh	Mahmoodabad block, Sitapur district	16 January, 2008	Agriculture (Wheat, Paddy, Sugarcane, Menthol), Handicraft (especially Chikancari, Zardozi)

Contd...

State	Place of FGDs	Date of the Meeting	Main Crop or Product
Uttar Pradesh	Rath, Hamirpur district	18 January, 2008	Oil crop such as Ground Nut, Til, Soyabean, Pulses, Medicinal Plants (Jathropa, Isabgol, Satawar, Ashwagandha, Chandrasool, Tulsi), Indigenous craft raw materials from which baskets, etc. can be made (Amai, Sain, Plash, Khajoor, Gotra, Kaas)
West Bengal	Nadia	17 January, 2008	Fruits (Mangoes, Banana, Litchi, Guava), Vegetables, Flowers (Rose, Tube Rose), Handlooms
West Bengal	Amriti G.P. and Ratua, Malda district	17-18 December, 2007	Mangoes
West Bengal	Hariharpara and Nabagram, Murshidabad district	25-26 December, 2007	Mangoes, Litchis, Flowers like Chandramallika, Dahlia, Handloom
West Bengal	Dhanekhali, Hooghly district	15 January, 2008	Potatoes, Handloom
West Bengal	Bidhannagar, Siliguri, Darjeeling district	4 February, 2008	Pineapples, Potatoes, Tea, Oranges, Flowers such as Orchid, variety of Cactus

Trade Policy Making in a Federal Polity

A complex network of government agencies and departments within the central government is instrumental in shaping and finalising the trade policy. The NFTP is primarily formulated and implemented by the Department of Commerce at the Ministry of Commerce and Industry. Some other important agencies consulted during the making of trade policy include industrial bodies, chambers of commerce, for instance, the Federation of Indian Chambers of Commerce and Industry (FICCI).³ In fact, a number of FICCI recommendations were incorporated in the current NFTP.⁴

Some important advisory bodies on trade matters include Board of Trade (BOT) set up in 1989 with a view to providing an effective mechanism to maintain continuous dialogue with trade and industry in the field of international trade. The Board is headed by a Chairman and its role is to advise the government on measures connected with foreign trade policy and how to achieve the desired objective of boosting India's exports.⁵

At state level too, various export promotion cells act as catalysts for facilitating the growth of export in the state. In Rajasthan, for instance, an Advisory Committee on Foreign Trade assists the State Government in formulating the strategy for export promotion. It also gives wider representation to various associations and organisations connected with exports.⁶

It must be underlined that states do not have a constitutional role in the drafting of the trade policy, since trade is a union subject. In reality, however, such functional division often poses problems of jurisdiction and policy coherence. For example, agriculture is a state subject but it is also a key area of export under the NFTP. Hence, effective operationalisation of the NFTP requires active participation of the state, not to mention the effective coordination and cooperation among various central and state agencies.

Such changing realities have influenced the nature of federal polity to some extent, including creation of institutional mechanism for regular dialogue and policy coordination between the centre and states. One such example is the setting up of the Inter-State Council (ISC) in 2005.⁷ It is a recommendatory body with a mandate to investigate and discuss any subject of common interest to the Union, and states to make

recommendations thereof. Likewise, the ISC was established with a view to ensure continuous dialogue with the state governments and union territories which *inter-alia* advises the government on measures for providing a healthy environment for international trade in the states with a view to boost India's exports.⁸ Besides, some state-level agricultural promotion agencies are also consulted during the framing of the NFTP.⁹

Unlike the constitutional mandate given to the ISC, one more institutional development in recent years is the creation of the state-level World Trade Organisation (WTO) Cells meant to foster interactive process of discussion between the central and state government/UT officials on all WTO issues. They are meant to analyse the impact of WTO agreements in their respective states and to eventually break the monopoly of the Union in trade policymaking and make trade policy more decentralised. While this has not been very successful, some scholars such as Rob Jenkins have documented that the WTO Cells have been successful in changing the nature of relations between individual states and the central government by dismantling informational monopolies of the central government.

Also, as more states have established WTO-oriented bureaucratic entities, the networking among them has grown, creating greater countervailing power *vis-à-vis* the central agencies. However, in most states under the study, such WTO Cells are at a nascent stage and largely ineffective in their functioning and influence. Hence, such institutional mechanism notwithstanding, states do not proactively provide inputs in trade-related matters. This is also because of the centralised nature of the policymaking process, which has been addressed in the following section.

The Grassroots and National Foreign Trade Policy

Policymaking Process

The survey at the grassroots suggests that the policymaking process of the NFTP is highly centralised and does not involve the people at any stage as a result of which local demands do not find place in the policy domain. People also do not realistically see themselves as being associated with policymaking and feel alienated from the entire process.¹⁰ The general perception is that big export houses exercise a significant influence in export policymaking along with ministers and officers at the Ministry of Commerce and Industry which is seen as the “root cause of many problems”.¹¹

The mechanism of soliciting people’s demands such as *jan sunwai* (public hearing) are reported to be completely absent and no other medium has been institutionalised by the public authorities to elicit their views, needs and demands. People have no clear idea about how their demand and needs will reach the highest levels of authority¹² and in some cases, protests and petitions regarding their demands have fallen on deaf ears strengthening the belief that voices of the grassroots cannot reach policymakers.¹³

In people’s perception, the government officials and village-level functionaries are not accountable and transparency in the functioning of the public bodies is poor. According to them, the outcome of initiatives, such as the Right to Information (RTI) Act meant to increase transparency and accountability is not very encouraging because of weak democracy and poor monitoring.¹⁴ In a number of cases, people were not even aware about initiatives such as RTI Act and were unwilling to make use of such provisions on their own and instead depending on the support of a leader.¹⁵

One of the most important pillars of grassroots democratisation, *Panchayats* (village-level institution of local governance) too have not been immune to issues that plague higher levels of policymaking. The attendance at *Panchayat* meetings is reported to be low indicating either disenchantment with its working or its usefulness to fulfill people’s needs. Corruption in the functioning of the *Gram Sabha* acts as a fetter to development programmes of the *Panchayat*.¹⁶

At the *Panchayat* level, trade issues are seldom discussed. Instead, the members are usually preoccupied with developmental issues, such as road, *Indira Awas Yojana* (IAY), National Rural Employment Guarantee Act (NREGA), etc. Arguably *Panchayats* do not have functional powers on trade issues but a more pertinent question to raise is why not? As trade and globalisation has a bearing on the livelihoods of people at the grassroots, especially farmers and other producer groups at the village levels, *Panchayats* should discuss such issues on a regular basis and must be given adequate mandate to that end.

The role of the *Panchayat* is also important as the NFTP has brought down the cost of developing Towns of Export Excellence from Rs 1,000 crore to Rs 250 crore. This relaxation is meant to help the *Panchayats* to be eligible for the status, which once bestowed, would provide them a number of benefits such as infrastructure development assistance from the central and state governments.

While trade-related issues are seldom discussed at the *Panchayat* level, they are discussed at the district levels during strategic planning and banker's meeting. In other words, the decentralisation of the decision-making process has proceeded downward to some extent but failed to reach to the lowest levels of administrative hierarchy, i.e. *Gram Sabha* and *Gram Panchayat*.

Political parties which can serve as important links across all levels in the policymaking process have proved to be quite oblivious of trade issues and seldom discuss or raise such matters. The linkage between trade and development which is central to the NFTP, is not envisaged by most people, even policymakers and hence, when they talk about developmental issues (roads, water, etc), they do not sense a synergy between trade, employment and development.

Members of Legislative Assembly (MLAs) and Members of Parliament (MPs) from the area hardly visit their constituencies except at the time of elections, not to mention their poor participation in government committees and legislatures. They never discuss economic problems and trade-related issues and even when they do in rare circumstances, they do not involve local people in discussions. Some isolated exception to the rule has been instrumental in organising many awareness-generation programmes on export-related issues.¹⁷

Numerous issues related to institutional and implementation problems also exist, which have been discussed in the next section.

Institutional and Implementation Issues

The institutional structure seems wanting on several fronts, both in design and functioning. Having an overarching policy of export without taking into account the regional and local needs compounds the problem of implementation. The federal structure adds its own constraints on the functioning of some of its agencies. For example, while the Agricultural and Processed Food Products Export Development Authority (APEDA) comes under the Ministry of Commerce and Industry, agriculture itself is a state subject.

Hence, APEDA does not have any mandate on the extension services and is not able to disseminate market information to farmers.¹⁸

The problem of coordination among various government agencies is formidable leading to implementation gaps. For instance, many agencies work for the farmers but their activities do not dovetail each other, leading to a fragmented approach and hence, scattered results. Some degree of policy coordination is, however, attempted through the biannual district level policy planning and strategy meetings attended by horticulture, veterinary, agriculture, collectors and fishery officers.¹⁹

Understaffing is another issue. Shortage of staff is reported in Darjeeling tea plantations where the government has provided more than 25 scientists and 100 staff officials. But these officials also hold additional charge of Cinchona plantation. Similarly, in the handloom department, there is only one officer for the entire district which has around 200-300 *Panchayats*.²⁰ In Nadia, West Bengal, too, only one person with office infrastructure of merely two chairs and a table looks after the entire agricultural subdivision's marketing department. In his absence, no information can be supplied to the farmers in need.²¹

Another issue of concern is the frequent transfer of efficient and honest officers and vacant posts. Often officers reside and function from urban areas as the rural areas lack basic amenities.²²

Underutilisation of funds is another problem as government agencies spend only 15-20 percent of the total funds allocated for the people.²³ Often ministries project higher requirements of funds by launching new schemes without any judicious and optimum utilisation of funds allocated for the existing schemes. The slow process involved in the release of funds contributes to delaying the schemes and also dampens the enthusiasm of the people and officials involved.²⁴ For instance, the proposed Agricultural Export Zones (AEZs) in Phulbani district of Orissa for organic farming of turmeric has come to a halt because of delay in release of fund from the Union Government.²⁵

Funds collected from taxes and revenues from exporters are not utilised for infrastructure upgradation. For example, government collects taxes from pineapple traders but does not spend even one percent of the tax for facilitating pineapple production.²⁶ For exporters, the experience with some of the agencies, such as Agriculture Produce Market Committee (APMC) is not good. Exporters claim that despite APMC and civil authorities charging high fees, the place is not even cleaned properly, not to mention the lack of infrastructural facilities for exports.

In many cases, offices exist but artisans and farmers are not aware of their existence. A case in point is the Central Glass and Ceramic Research Institute (CGCRI) and the Pottery Development Centre in Khurja district, Uttar Pradesh. It is meant to provide subsidies and other benefits to producers, but not many of them know about it.²⁷ Similarly, in some cases, villagers are not even aware of that there is a development officer and an assistant director to hear their grievances. Even those who knew about such offices complained that the officials never visit their villages.²⁸

Common people are largely unaware of the procedures involved in securing export and other licences, and those who do know, find the process too complex.²⁹ Majority of the people thus refrain from entangling themselves in the cobweb of procedures. Besides, farmers, small exporters and common people feel intimidated by government officers and are, therefore, unable to avail of the benefits of government schemes.

The location of the DGFT (the Directorate General of Foreign Trade, the implementing agency of the National Foreign Trade Policy of India) offices in the state capitals and big cities only acts as an impediment to facilitation of exports, especially for the small and medium exporters and also producers based at the district and village levels. In some cases, the concerned office is located far away from ports, which hampers exports. For example, the Malda customs office, is located in Malda town instead of Hili land port. Similarly, the location of the export office near Mahadipur, far away from Changrabazar Hili, has contributed to the underutilisation of resources.³⁰

The modern post-harvest facilities, such as vapour heat treatment or BARC radiation are also reported to be inconveniently located amongst the shabbiest surroundings in Maharashtra.³¹ Similarly, while the Central Potato Research Institute (CPRI) has been given the responsibility of potato seed research, they do not have any branch office in West Bengal (where potato is grown in significant quantity), making it difficult to carry out research to address local conditions and requirements.³² This obviously leads to a serious disconnect between the policy's aim and its implementation on the ground.

Despite overall scepticism about the policymaking process, there is an underlining faith, especially among government officials, that policies are formulated with a pro-people approach. According to them, the problems lie at the implementation stage where the essence of the policies gets diluted due to poor monitoring and evaluation.³³

People feel that proper implementation of government policies is a problem due to which farmers and other producer groups are not able to accrue benefits. In people's perception, policies fail to deliver because of weak governance and administrative system, non-accountability of politicians and corruption of bureaucrats. Most of the bureaucrats pay only lip service to people's concerns. The system of administrative hierarchy in government offices also hinders proper policy implementation apart from the lack of awareness among people.

As far as implementation is concerned, many agencies confine themselves to welfare measures, such as allocating subsidies to farmers for supplying to the domestic or local market and not external trade, which they regard as rather complicated.³⁴

In the opinion of some exporters, trade-related policies are often discussed in seminars but not followed up with concrete government initiatives at the ground level.³⁵ Some officers on conditions of anonymity argued that the central government inspires exporters by implementing various export schemes but state government lags behind in timely implementation of export policies.³⁶ For instance, Orissa's Kandhamal district was declared an AEZ three years ago, but no further progress has been made on this front and the initiative appears to have been abandoned. Similarly, the Centre allocated Rs 5 crore to

promote the export of ginger from Koraput district, but no progress has been achieved beyond that.³⁷

In West Bengal, the market for pineapple traders too met the same fate. Despite the Centre's commitment and an allocation of Rs140mn, nothing much has concretised. Likewise, Bidhan Nagar in West Bengal was declared a Pineapple Exporting Zone but no infrastructure has come up so far except the allocation of 15 acres of land by the State Government.³⁸

Thus, most of these initiatives do not go beyond allocation of resources and sometimes, not even that. For example, despite the promise of a 20 percent subsidy to pineapple farmers and traders in Siliguri district (as a compensation for losses suffered due to poor road connectivity), till date not a single person has received the subsidy.³⁹

Often political considerations eclipse effective functioning of certain schemes. For example, in Jhalawar district in Rajasthan, the Chief Minister's grievance-handling cell manned by 5-7 people registers peoples' complaints. However, the cell is reported to be biased as complaints against the ruling party leaders never get addressed and no procedures exist to ensure transparency and accountability in its functioning.⁴⁰

There is a large gap in policy promise and actual benefit that accrues to the people. In Nadia district of West Bengal, it has been reported that on paper farmers can get up to 20 percent subsidy for micro-irrigation, but in reality the amount of subsidy may be only between 5-10 percent.

Often assistance from the government is neither forthcoming nor timely leading to the perception that the government is oblivious to people's requirements. The general grievance, thus, is that the people are not getting the required help from the government.⁴¹ Many traders and exporters also opined that government officials are accountable only in theory but never carry out their responsibilities towards the people.⁴² There is little faith in government officials as facilitators of export due to corruption and red tapism.⁴³ These factors deter people from accessing government schemes.⁴⁴

Another issue highlighted by respondents is that of poor regulation and administrative malpractices owing to which government schemes are misused. For instance, government extends some benefits to certain handloom products, such as *lungis*. However, some weavers make *lungi* in powerlooms and market them as handloom products. The vigilance departments headed by a deputy director has failed to monitor such activities in the cooperative societies does not function effectively. In fact, in West Bengal, a number of such societies run powerlooms in the name of handloom and thereby, inappropriately harness the benefits meant for handloom products.⁴⁵

The subsidies offered by the government are also reported to be meagre, especially for poor farmers. Normally the cost of cultivation per hectare is around Rs 90,000 but the government provides only 50 percent of the subsidy. For pineapple production, government provides a meagre Rs 6,000 as subsidy for 1 acre land. In Bidhan Nagar, until now only 200-300 people have availed of such subsidy and the *Panchayat* is

expected to provide subsidy to 600 more applicants.⁴⁶ The demand thus is to increase the amount of subsidy so that poor farmers can benefit.

Bank loans and insurance schemes for farmers and other producer groups are found wanting. Moreover, commission has to be paid to the manager of the bank even for initiatives such as Kisan Credit Cards (KCC), aimed at eliminating the role of moneylenders in small farmers' access to credit, leading to the degeneration of the best of schemes. Ironically, the bank's limit for loan to traders is Rs 20mn whereas a farmer cannot get more than Rs 2mn.

The combined impact of such realities is that most of the policies and programmes do not reach the intended beneficiary. The problem of policies thus is not only confined to problems with institutional functioning but also its poor implementation. Even the best of government schemes come a cropper due to corruption, intransience of vested interests, lack of coordination among various government agencies and cumbersome bureaucratic procedures. These problems are compounded by serious knowledge and information gaps about the NFTP. The ground realities are further discussed in the following section.

Awareness about the NFTP

One of the most glaring findings of the fieldwork has been the abysmal level of awareness and knowledge gaps at the grassroots about the NFTP across all states. Producers, including farmers, artisans and craftsmen do not have any idea about any specific government initiative aimed at increasing export. In parts of Andhra Pradesh, farmers do not even know if their produce is exported.⁴⁷

The reasons for lack of awareness among people at the grassroots are many, chief among them being illiteracy, as also lack of commitment of people in power to assist the masses. Absence of connectivity to urban areas is another reason, besides fund constraints for information dissemination⁴⁸

Even among the small and medium exporters, awareness about the NFTP is quite low. They did, however, show some familiarity about schemes under the NFTP such as *Visesh Krishi Upaj Yojna* (VKUY – Special Agricultural Products Scheme) but general awareness about it being a part of the NFTP is poor. For example, farmers and exporters in Nashik district involved in the export of grapes are aware of some government scheme to increase exports including crop loan, subsidy schemes for cold storage units but they do not see any linkage of such schemes with the NFTP.⁴⁹

Exporters, generally speaking, do not seem to have any idea about the formation and functioning of the WTO Cells and the NFTP. An exporter from West Bengal, who trades in flowers like chrysanthemum and dahlia to Bangladesh, Thailand, Nepal, Dubai and Bhutan and also imports seeds from Thailand, had never heard of the NFTP or the WTO Cells. Similarly, another exporter of flowers to the US, Canada, Japan, Australia, Thailand, France and other Southeast Asian countries, despite utilising the benefits of some of the NFTP schemes, such as VKUY, Duty Entitlement Passbook (DEPB), have not heard about the NFTP.⁵⁰ This may also be due to the fact that many of the exporters operate

through a long chain of middlemen and agents based in large cities, such as Mumbai.⁵¹ Arguably, benefits of various schemes for export promotion under the NFTP cannot be fully realised unless people know about the policy in totality.

What is more startling from the point of view of policy implementation is that awareness about the NFTP is quite low across various levels of government officials in all states. The officers such as districts magistrate (DM) and district horticulture officer (DHO) have shown good awareness of the NFTP, especially its allied policies, such as VKUY and DEPB⁵² but overall knowledge about the NFTP as an integrated initiative on trade and development is found to be deficient.

Arguably such state of affairs is due to the functional division in bureaucracy wherein the right arm does not know what the left is doing. It also means that an integrated approach to trade and development has not been operationalised in the implementation of the NFTP and each of the government department works in splendid isolation, picking up bits and pieces of various schemes under the NFTP.

Information and Knowledge Gaps

Due to the lack of an institutionalised information dissemination mechanism at the grassroots, severe knowledge and information gaps exist amongst the producers about the exporting potential of specific crops/products and specific quality requirements of exporting markets. Market infrastructure is also ridden with a number of problems. Lack of information about requirements of the export markets especially in horticulture, handlooms and textiles is quite widespread. Sometimes, even simple information about the NFTP solicited from the concerned department of the government is difficult to obtain and the state partner in Andhra Pradesh had to seek the RTI route to garner information.⁵³

Farmers normally do not have any knowledge about the market price of their commodity which is sold to middle-level traders, which after a bit of value addition (processing, packaging and branding), receive huge profit in international markets.⁵⁴ Lack of awareness of value addition to the products, such as processing and packaging techniques is, therefore, a major hindrance to augment farmers' income.

Information about quality requirements in export markets is also not readily available which is crucial for successful international marketing.⁵⁵ For example, Nadia district in West Bengal has been declared a vegetable export zone but farmers did not know what type of vegetables could be exported from the district.⁵⁶

In fact, farmers are often unaware about the proper use of various inputs in production and often use excessive fertiliser, thereby failing to meet quality requirements of the export markets, not to mention damaging the productivity of soil in the long run.⁵⁷

Here it must be underlined that awareness about trade and related issues is increasing gradually though at varying pace within and across these states. Within Maharashtra, for instance, two diverse experiences can be reported. The grape farmers in Nashik

district are aware of export potential although only some of them are involved in exports. They are keen to export as returns are high. Most of the grape cultivators are also aware of the techniques required to produce export quality grapes. Some of them also have knowledge of the quality standards demanded in European markets. Their concerns and demands (such as a special cargo for carrying fruits and vegetables) are also markedly different from other farmers. This is an area that is witnessing the entry of many organised retail companies exposing farmers to organised marketing chains.

In contrast, the pomegranate farmers in Solapur and Ahmednagar and Nashik district, due to low levels of awareness are unable to tap the export potential of their produce. The high prices derived from exports have encouraged them to learn new techniques but they are not very successful yet.⁵⁸ Likewise, the Trimbak block of Nashik grows traditional crops like finger millet which is a hardy crop with high nutritional value and can have export potential, but farmers are not aware of this.

Even when farmers know about the techniques and earning potential of certain crops, they are not able to market them. Individual farmers who export their produce are not able to sustain it due to lack of government support and problems with agents in the destination country. In Maharashtra, for instance, farmers in Trimbak block of the Nashik district tried to cultivate a high value crop like strawberry with the help of a local non-governmental organisation (NGO). They proved to be successful cultivators but failed in marketing and hence, the overall outcome of the effort was detrimental to their livelihood.⁵⁹

Taking advantage of the economic condition of the farmers and also lack of access to outside markets, middlemen purchase the output from farmers at low prices and sell them in wholesale market at much higher prices. Thus, the farmers and producers are the worst victims in this entire value chain.

Not surprisingly, few at the grassroots know or have heard about the NFTP. Often producers do not even know if their produce is being exported and even when they do, are unaware of the value at which it is sold. For example, artisans and workers in the gems and jewellery segment are aware that their products are being sold in Bangkok and other foreign countries, and also in Hyderabad but are ignorant of the value at which they are sold. The information and knowledge gap on trade policy that permeates across grassroots albeit of varying degree hinders the full realisation of export potential.

Information Dissemination and Sources of Information

Information on trade and government policies is largely availed by the stakeholders from Federation of Indian Export Organisations' (FIEO) monthly bulletin, government publications and notifications, internet, and sometimes from television and newspapers. Each of this, except television, requires basic education, not just literacy. Also, given the frequent use of web-based information sources cited by stakeholders requires computer and internet connection as fundamental to information access, which is often unaffordable for the vast majority.

Informal networks also play an important role in information dissemination such as an individual participating in seminar. Also, information about taxes/import duties related to foreign trade is also gained from importers of other countries; for instance, the mango importers of Bangladesh.⁶⁰

From the government side, one of the major sources of information on export facilitating schemes were reported to be the District Horticulture Office as well as the Office of the DGFT, none of which, it must be underlined, are located at the village level. Horticulture department is reported to be quite active in disseminating information about various government schemes at the district and village level with the help of *Panchayats*.

Panchayats can act as an important pillar to disseminate information at the village level and also in articulating people's demands but unfortunately, *Panchayat*-level functionaries are neither aware of nor discuss trade-related issues and hence, information dissemination mechanism on trade issues at the village level is almost non-existent.

Such state of affairs, applies not only to 'complex' trade issues but also on the RTI Act, which aims at increasing transparency in public policy. Even some NGOs have exhibited ignorance about the RTI Act. Besides, people aware of the RTI Act have not used it to their benefit.⁶¹ It is also reported to be misused to get information about the business rivals.

Not many local NGOs and civil society groups are working on economic issues. Hence, their role in contributing to economic literacy and awareness campaign is limited. Some of them, however, assist farmers and other producer groups through training programmes on organic farming and microcredit, setting up of self help groups (SHGs), etc. but policymakers rarely consult them.⁶²

The media's role in raising awareness about economic issues is reported to be low as they are more interested in reporting commercial and sensational news. It does not accord priority to trade and agricultural issues because of intense commercialisation. The potential of the media to raise awareness on such issues and encourage economic literacy is, however, considered great and needs to be tapped.

At infrequent intervals, state government organises events, such as agriculture conclaves as was the case in Jhalawar district in Rajasthan where participating farmers were given information on export-related issues. Likewise, in West Bengal, the agriculture department's horticulture office, in collaboration with *Kalyani Krishi Vishwa Vidyalaya*, organised training workshops for farmers in Murshidabad, Nadia and Uttar Dinajpur districts which have been declared as vegetable export zones in West Bengal. The focus of the training workshop was on the production methods for export of quality products as well as techniques for protecting crops. As a result, farmers have become aware and are availing opportunities for exporting their products. A case in point is the rise in potato exports from the Hooghly district of West Bengal where, as a result of Government-initiated training programmes, farmers have become more aware about trade-related issues and were able to export about 15,000 metric tonnes of potatoes.

It must, however, be underlined that access to such government training programmes and incentives are limited to few progressive and educated farmers. Hence, in the absence of an institutional mechanism at the grassroots to educate the producers or even exporters about the demands and requirements in the export markets, the policies fail to benefit people who need them most.

Advocacy Tools

The most effective way to make people's demands heard in the policymaking circles is the mobilisation of people by raising awareness levels, especially through the audio-visual media, given the widespread illiteracy among the vast majority.

What is also important is formulating a charter of demands or draft policy, articulating the needs and demands of the grassroots and ensuring its incorporation in policy domain through media scrutiny and protest demonstration. Rallies, *dharnas* and protest demonstrations are also seen as effective in persuading and impacting government policies.

Thus, for an effective advocacy and meaningful policy intervention, a combined initiative of people, media, NGOs, unions and judiciary is required. In fact, the role of media in raising issues has been regarded as one of the most important channels to impress upon governments to act.

Impact of the NFTP on the Poor

By and large, no significant positive impact of the NFTP has been perceived by the grassroots, especially by either the small and marginal producers or the small and medium exporters. In popular perception, business houses/capitalists and influential people with access to government garner maximum benefit from government schemes which small farmers and producers feel are beyond their reach. Some also felt that economic development based on industrialisation corners profit for the industrialists and does not work for the poor and marginalised.⁶³

In fact, schemes under the NFTP are said to be aimed at large farmers and producers, and big export houses. It envisages no special scheme to involve small farmers and weavers or small entrepreneurs and even though they are increasingly being affected by exporting chains and can hope to gain from exporting their products. Hence, export initiatives/policies do not substantially benefit the poor and the marginalised. Government apathy towards the plight of the people, farmers in particular and other producer groups, is quite palpable. The interest of the farmers, craftsmen, artisans, etc, it is believed, is not given any priority in the current NFTP and, therefore, should be included in the next NFTP round.

Due to NFTP initiatives, trade has undoubtedly increased which also has the potential to increase livelihood options but it has not produced the desired outcome, particularly to bring about economic transformation of the poor, as the benefits do not trickle down to the lower level.⁶⁴ This is reflected in the sharp increase in persistence of high incidences of poverty and more significantly, increase in income inequality in many parts of India.⁶⁵ A case in point is the experience of potters in UP's Khurja district, where majority of the local community feels their condition is not improving; rather it is worsening due to the exploitation by the big players. Producers thus are not able to get enough returns while traders and industrialists prosper at the cost of the former.⁶⁶

In overall perception, despite increase in trade and exports, benefits are cornered by the middlemen and big traders while the condition of the producer remains more or less the same. Likewise, NFTP benefits only large and big export houses whereas the small and medium producers are neither counted nor derive any benefit from trade policy in a tangible manner.

Employment

On the specific objective of the NFTP serving as an engine for employment growth, a mixed image of success and failure appears from the states.

In Orissa employment rates have not shown any significant improvement during the last few years. In fact, jobs in agriculture have actually shrunk. In people's perception, no clear linkage was seen between the improvements in employment rate and the new opportunities provided by export. In fact, improvement in the rate of employment here is attributed to the NREGA and not to enhanced exports.⁶⁷ Another positive impact of NREGA is evident in the overall increase in wages to about Rs 70 (about US\$2) per day. Also because of NREGA, the connectivity to rural areas has improved leading to economic development of the region as a whole.⁶⁸ However, some avenues of export-related employment are reported in certain districts such as Koraput.

In the case of West Bengal, floriculturists in Kalimpong in Darjeeling district have benefitted from pineapple production and export. Here market economy and the setting up of AEZ has opened up new employment opportunities. Similarly, in Siliguri in Darjeeling district and in Nadia district, economic development and exports have led to industrialisation as a result of which employment has increased along with the improvement in the standards of living.⁶⁹ A similar picture emerges from Murshidabad district in West Bengal where increase in employment rates and income levels have been reported for the women who through loans provided by the SHGs and other facilities are becoming self dependent.⁷⁰ Similarly, some women in Khurja's (Uttar Pradesh), pottery industry have managed to carve a niche for themselves and established units of their own.⁷¹ Available empirical evidence from the area suggests a direct link between exports and female employment. This is especially visible in the labour-intensive manufacturing sector, where the proportion of women workers tends to be comparatively large.⁷²

Similar improvements in employment rates are also noted in Karnataka as in other states during the last few years, which are also accompanied by improvement in quality of infrastructure, growth and revival of industries.

In Maharashtra in particular, the linkage between trade (not necessary international trade) and employment is obvious to those involved in horticulture which requires high value and labour intensive cultivation and use of skilled workforce who demand better wages.⁷³ The increased cost of labour can be afforded by farmers as their produce fetch higher prices.⁷⁴

Demand-led migration of labour towards better-paid export sectors is also noticeable. For instance, the large demand for labour in thinning operation in pomegranate and grape cultivation in Nashik district has seen a spurt in seasonal migration of tribals from surrounding areas.⁷⁵ Similar patterns of migration of labour towards better paid export-led sectors such as gems and jewellery in Jaipur from Nadia district in West Bengal is also observed.⁷⁶ In the gems and jewellery sector, the wages are determined by the nature of work and experience as also on expertise. An artisan also has freedom to work for various jewellers.

The availability of work is however determined by the demand in the market which is determined by fluctuating metal prices in international markets. Such volatility in metal prices in the international market also increases the vulnerability of the business enterprise as also uncertainty in finding a guaranteed and regular employment for the artisans, schemes under the NFTP notwithstanding.⁷⁷

However, despite increase in employment rate in certain areas such as Darjeeling district in West Bengal⁷⁸, and UP (for example, perfume industries of Kannauj), the economic condition of the workforce is more or less the same as most of the profit is taken away by the big exporter and traders and middlemen located at Delhi and Kanpur.⁷⁹ Also, even in regions and sectors which have seen better employment opportunities and higher wages, farmers and producers are cynical about the government's role. The success of grape exports from Maharashtra for instance, is largely perceived as a result of farmers' own initiative with no or meagre role of the state.⁸⁰

Largely thus, employment is seen to have been generated by people through their entrepreneurial skill without any assistance from the government.⁸¹ The government officials, however, assert that various government schemes including export-related schemes have been able to generate employment in different districts.⁸²

Besides, any proclaimed rise in government employment figures must be treated with caution as they do not necessarily imply productive and well-paid employment. A case in point is the Bundelkhand region of Uttar Pradesh, which once a prosperous plateau, has been severely hit by drought for the past four years causing large-scale migration to the cities by many small and marginal farmers. Such migrants are usually employed as unskilled labour by various government and semi-government contractors. Thus, while in government figures they are reported as employed, it does not mean productive employment or better living conditions.⁸³

The flip side is that labour conditions in many export-related sectors are bad with no concept of fair wages and environment, health or safety standards, or maternity benefits in case of women. In Aligarh, famous for its locks, the condition of women workers is pathetic. The employer even notes the time spent by them in toilets. Because of the strong network of employers, labour is not in a position to bargain for better wage and have to work at nominal wages.⁸⁴

In Khurja's pottery industry, another significant problem is that of air pollution from the chimneys, causing high incidences of tuberculosis among a large proportion of labour. Besides, malaria is also rampant among the labour employed in packaging work.⁸⁵

Hence, one of the cherished goals of the NFTP – trade as a means of creating employment and securing development – is showing some results, although with differential impacts across these states. Moreover, the improvement is seen as marginal, because such jobs are getting created in exporting sectors at the cost of government jobs and decline in rate of employment in agriculture. Arguably, expansion of trade due to globalisation and liberalisation has led to better and diverse opportunities but people do not feel satisfied with the level of improvement in employment and living standards realised till now and want more result-oriented policies with tangible outcomes.

The Gradual Turnaround

Some of the NFTP schemes have benefitted a section of people who are of the opinion that government schemes have provided many opportunities for export of local products.⁸⁶ For example, tax reduction by the Government has benefitted the Malda mango producers and exporters as also the litchi farmers in Farakka in the last five years.⁸⁷

Despite middlemen, trends point towards new and positive developments. For example, weavers in West Bengal, rather than selling their products to merchant exporters, now sell their products to agencies like Speed of India, PMA Handweavers, etc at a profit of about 15 percent. These agencies further market and sell these products at a total profit of about 65 percent on the original price.⁸⁸ Some SHGs are also getting involved in marketing of agriculture produce.

The role of middlemen is also reported to be loosening where government has taken strong initiatives. In Orissa for example, procurement of local agricultural products was done solely by middlemen and the farmers were exploited but as a result of the Government initiatives for the procurement of ginger from the districts through DSMS, positive results for farmers' earnings have been reported.⁸⁹ Likewise, in Rajasthan, the Government declared the price of mustard at Rs 1,800 for the year 2008 as a result of which traders were compelled to offer better prices to the farmers, in some cases as much as Rs 2,300.

As far as horticulture is concerned, because of globalisation, the quality of products has improved as many farmers and exporters have streamlined their products to meet export requirements.

Similarly for handlooms, under the Project Package Scheme (involving loom modification, training and sample-based production),⁹⁰ designer Ritu Beri was appointed to promote marketing of the handloom products, resulting in initiation of exports to Germany. With government assistance, weavers could also participate in the International Trade Fair at Delhi. Due to implementation of these schemes, new design patterns have emerged and as a result marketability has also improved, particularly in *tangail sarees*. In Phulia, West Bengal, 30-35 percent handloom products are exported.

The Cluster Development Programme for weavers in West Bengal has incorporated the local needs and demands, as also the National Horticulture Mission's (NHM) product-specific scheme, Kitchen Garden Project, various welfare schemes like health package schemes, etc.

Agriculture and horticulture departments are also active in generating information through various training programmes and awareness campaigns on various aspects of agriculture in collaboration with local NGOs.

The accountability of governance is also showing signs of improvement as people are becoming more aware and educated. The office of the DGFT is seen to be playing a

proactive role in export promotion although its location in urban centres is seen as a fetter to its effective functioning, especially from the point of view of access for rural areas.

Despite these positive changes, many problems continue to plague the grassroots' participation in the implementation of the NFTP.

Problems at the Grassroots

Diminishing Returns

For agriculture in particular, one of the major problems is that of rising cost of production without any concomitant rise in the price of commodities produced by the farmers. For example, in Rajasthan the transportation costs of *kinnow* have risen from Rs 1,100 to 2,600 during the past 3 years alongside increase in the cost of packing but the price of the produce has remained between Rs 5-7. In 2007, *kinnow* was sold for as little as at Rs 3 per kg.⁹¹

Similarly, farmers who use diesel-generated pump sets for irrigation face increase in cost of production due to rising diesel price but it is not matched by the complementary increase in the cost of agricultural produce. In some cases, rate of produce has gone down steeply due to cartelisation by private players. For example, the rate of menthol (peppermint oil) dropped from Rs. 2,400 per litre to only Rs. 475 per litre.

Such paradox has been well articulated by one marginal farmer from UP in the following words:

I do not understand this concept of globalisation and liberalisation, but what I am not able to get is the fact that when the prices of everything is increasing then why not of my produce. I have to sell my produce on more or less the same price as I was selling before but when I go to the market to buy something, everything is sold at a much higher price.⁹²

Such sentiments are not confined to farmers alone but extend to the weaver community as well which is echoed in the following statement: “Although the market price of the silk *sarees* is increasing, the wages paid to the weavers is decreasing”.⁹³ Given low remuneration and lack of sufficient work throughout the year, weavers are often forced to adopt alternative means of livelihood reflected in a decline in the number of weavers. For example, in Arani village in Tamil Nadu, most of the weavers have shifted from handlooms to work as daily wage workers in the industries.⁹⁴

In fact, one of the reasons for the farmers’ debt trap is that they do not get adequate remuneration for their produce.⁹⁵ In addition, farmers face difficulties in procuring fertilisers, pesticides and seeds, which earlier they used to buy from the now-defunct cooperatives, especially in West Bengal. These inputs are available in the market at a

very high price but are also of dubious quality as traders routinely sell spurious products with impunity. The government agencies have failed to regulate such activities due to corruption and malpractices.⁹⁶ Moreover, the availability of good seeds and pesticides are limited and only rich farmers and other producer groups can buy them. A normal illiterate or semi-literate farmer gets confused by advertising and packaging of seeds in packets or boxes and is not able to make an informed choice.

In cases of crop failure, farmers suffer huge losses without any or little compensation from the government. The problems are also compounded due to labour shortage, poor skill levels (eg. low or no awareness about quality) of the labourer who handles the produce (loading, unloading and transporting).⁹⁷ In the case of mangoes for instance, daily wagers use crude methods to pluck mangoes, which damages the fruit internally. No efficient method has been found to collect the mangoes. More careful, manual methods would increase costs and time and hence, are not put in use.⁹⁸

The high cost of land is also a significant issue. For instance, in Munnangi district of Andhra Pradesh, the cost of land is as high as Rs 1.8mn per acre.⁹⁹ In West Bengal in particular, agricultural sector is in decline. Production of cereal crops is particularly affected due to lack of proper management and long and sustained use of chemical fertilisers.¹⁰⁰ The same is true for potato production from the region due to high input costs and uncertain climatic conditions such as poor rainfall leading to crop failure.¹⁰¹ As a result, farming is increasingly becoming a risky and unviable option for many.

The licence for setting up a food-processing unit is very difficult to obtain. Many farmers are interested in setting up food processing units, but due to the expense involved and the complex licensing procedure thereof, are not in a position to realise their goals.

Requirement of high capital investment in some cases adds to the difficulties. For instance, the earnings from the production of sweet lemon is Rs 18-20,000 per acre and is being adapted by many farmers in dry regions of Andhra Pradesh but requires large capital investment in drip irrigation systems, thus making it difficult, if not impossible for small farmers.¹⁰²

Infrastructural Bottlenecks

Infrastructure or rather the lack of it is seen as a major structural bottleneck in export. The local canals are not effective and farmers do not get adequate and timely water supply for irrigation which adversely affects agricultural production. The government tubewells are few in number and benefit only a few big farmers. The supply of electricity is irregular and inadequate, sometimes as little as only eight hours a day and that too uncertain.

The village roads are in poor condition and farmers face problems on a daily basis in bringing inputs and carrying their produce to the market/*mandis*. Poor road infrastructure delays transport and results in loss of quality of the produce. The situation becomes worse in the rainy season.¹⁰³ Most farmers depend on trucks to bring their produce to the markets, which are inefficient, especially for perishable items.

Due to lack of transportation facilities and bad connectivity to other markets, farmers are forced to sell at local *mandis* or wholesale markets where they do not get remunerative prices.¹⁰⁴ Lack of cold storage facilities and processing plants also perpetuates the monopoly of the traders.¹⁰⁵ A case in point is that of Rae Bareilly district of Uttar Pradesh where peppermint is produced on approximately more than 50 percent of land. Many farmers depend on it directly or indirectly. But the absence of marketing avenues and value addition remains a problem, forcing farmers to sell their produce at the prevailing market price. Likewise, in the Harchandpur block, there are no local buyers of peppermint because of which the farmers have to travel 15 km to the Bachrawan block to sell their produce and that too to middlemen at throw away prices.¹⁰⁶

Sometimes infrastructure facilities exist but are not considered reliable. For example, Duggirala in Andhra Pradesh has a railway siding, but traders do not use rail wagons even while transporting the produce to distant Mumbai as they find it less dependable.¹⁰⁷ Often the high cost involved in exports acts as a deterrent. For example, the cost of exporting vegetables from the Calcutta port to Europe is four times greater than from Mumbai. Such cost has been somewhat reduced because of the initiative taken by the local MP. Also a counter for Indian vegetables and flowers has also been established in London¹⁰⁸ but such initiatives are few and far between.

Inadequate testing facilities and high cost involved further acts as a dampener to exports as each sample's testing and certification costs anything between Rs 3,000 and Rs 7,000.¹⁰⁹

Therefore, most significantly the problem of lack of infrastructure including cold storage facilities, water, electricity, transport and communication, especially road transport and better port facilities has resonated in synch across all states. Such infrastructure facilities or lack of it arguably is detrimental to the development of agriculture and trade-related activities and realisation of profit by the farmer.

Middlemen as Exploiters

The role of traders, middlemen and agents is entrenched in the system and acts as a major impediment for producer groups' wealth generation. The staff at the wholesale market is involved in exploitative practices while procuring agricultural produce. Farmers get at least Rs 100-200 less than the minimum support prices announced by the government.

For instance, weighing is not precise as improper weights are used leading to a loss of about 5-6 kg of the actual weight.¹¹⁰ There is no acceptable method of grading of products subjecting producers to arbitrary pricing.¹¹¹ Arbitrary detection of export products by the marketing department because of corruption at check posts is also a deterrent to export promotion.¹¹²

The payment through the wholesale market is also very slow. In the case of Lucknow's *chikankari* and *zardozi* work, exploitative intermediaries corner more than half of the worker's remuneration, not to mention the delay in payment and sometimes not making

payments at all.¹¹³ For a *saree* sold in the market at Rs 1,000, the artisan is given only Rs 300.¹¹⁴ Sadly though, the administration turns a blind eye to such corrupt practices.¹¹⁵

Other Problems

Some respondents also noted the lack of entrepreneurship among people evident in apathy towards government-sponsored training programmes and schemes. Even when they attend the training workshops, they are reluctant to apply it in their own activities. The government has introduced new schemes and policies for the farmers but they seem unwilling and hesitant to accept new machines and production methods. In Andhra Pradesh for example, handloom weavers seem ambivalent about export as long as they get continuous and well-paid work.¹¹⁶

Similarly, nearly four hundred hectares of land for orange production had been provided by NHM for the farmers in West Bengal but the number of farmers who applied for the land is very less.¹¹⁷ In Maharashtra too, amongst many Government schemes, only few are being utilised by the people and require good entrepreneurial skills for better results.¹¹⁸

Low level of education contributes to the reluctance to adapt new cultivation practices, as is the case with organic farming. The reluctance is also owing to the fact that organic farming requires a long gestation period of ten years – a deterrent for farmers hard pressed by immediate survival needs. The 50 percent subsidy for organic farming (for two-and-half acre organic farming, a farmer can get Rs 10,000) has encouraged some farmers to take up organic production, but the process and returns is slow.¹¹⁹ Likewise, farmers in Munnangi district of Andhra Pradesh were interested in increasing the value of their turmeric by following steam boiling, but were wary of the costs, technology and work burden. Thus, high cost involved in new techniques and method of agriculture such as organic farming acts as a deterrent.

Similar constraints operate in the handloom sector where adaption of new and improved technology and modern machinery required for good quality production are not very prompt due to high costs involved and lack of sufficient government incentives.¹²⁰ As a consequence, products such as Murshidabad silk are losing their reputation in the markets and would require improvement in quality through adaption of latest technologies in order to promote exports.¹²¹

Many farmers are unaware of the quality of fertilisers to be used, thus falling foul of the requirements in the export markets. Even when aware of the requirements, they are reluctant to take corrective steps. For instance, chilly farmers in Peddakurapadu, Andhra Pradesh are aware of the pesticide residue problems but are primarily interested in increasing their profits. On an average, chilly farmers invest about Rs 30-40,000 per acre, and the bulk of such investment is on pesticides and fertilisers.¹²²

Fertilisers and pesticide usage in mango plantation is also reported to be increasing steadily. Government research institutes are unable to find suitable organic remedies for

certain pest, which adversely affects production.¹²³ The overall impact is even worse for the small and marginal farmers and producer groups.¹²⁴

Most importantly, the quantity produced by the small and medium farmers is so small that do not have sufficient stocks for export.¹²⁵ Hence, in reality, export for a large section of small and medium farmers and producers is not a viable option and is of limited utility since they are confronted with food security and survival issues.

Grassroots Demands and Policy Recommendations

The demands on the policymaking process are varied and seen as crucial to the success of the policy. These have been listed in Table 4 while sector/state-specific demands have been compiled in Table 5.

Table 4: Grassroots' Demands and Recommendations
<p>Changes in the Policymaking</p> <ul style="list-style-type: none"> • People's involvement in the policymaking process must be made mandatory to improve pro-poor policy orientation. • Planning should follow a bottom up approach. Policies must be drafted to include and reflect local needs and regional diversities. • Develop an ethos of result-oriented policies with a defined timeframe for the execution of a scheme. • Annual review and amendment of policies with mandatory inputs of various stakeholders.¹²⁶ • Adequate regulatory and institutional mechanisms to check corruption. • Setting up of a district level committee to ensure participation and monitoring for checking administrative corruption.¹²⁷ • Emphasis must be placed on the integration of last person in the chain for successful and sustained outcomes.¹²⁸
<p>Regulatory Changes</p> <ul style="list-style-type: none"> • Removal of reservation for small-scale industry (SSI) in most products to allow for economies of scale. • Changes in labour laws. • Favourable credit schemes including soft loans and procedural simplification.¹²⁹ • A more aggressive push to foreign direct investment (FDI) for achieving a higher gross domestic product (GDP) growth and increasing exports of industrial and agro products by inducting new technologies and management practices.¹³⁰

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Tax Structure

- Tax reforms to make Indian industry more competitive include suggestions for exemption of value-added tax (VAT) for farmers in case of export and reduction in income tax for the exporters.
- Implementation of a full-scale countrywide VAT on all goods and services and scrapping of all other indirect tax levied by the Central and state governments to reduce procedural delays.
- Target towards a low single tariff rate on all imports instead of charging different rates for different products to help reduce corruption in schemes such as DEPB.

Infrastructure

- Better and adequate transport (road, rail, ports and air) and communication network including revamping and upgradation of facilities at ports, improving road network, laboratory and testing facilities etc.
- Investment in infrastructure development through public-private partnership (PPP).¹³¹

Marketing Facilities

- Better marketing and infrastructure facilities to eliminate middlemen and agents.
- Special focus on marketing cooperatives at village levels, especially for women.
- A written and legally enforceable contract between the producers and the traders.

Bridging Information and Knowledge Gaps

- Information is considered to be of crucial importance to cope with the competition in a globalised world. Towards that end, organisation of massive campaigns on health, agriculture, NHM, and most importantly, export-related schemes.
- It is also important to inform the grassroots about their rights. Government officials should inform local NGOs about various policies, who in turn, shall educate villagers and local people.
- *Gram Sabhas* should be involved in awareness campaigns.
- Specific focus must also be laid on campaign for raising awareness of producers and consumers on organic farming.

Development of Human Resources

- Training programmes for producers as well as bureaucracy so that government officials are informed about various policies.
- Technical skill development of farmers for processing and value addition to the agricultural products as well as entrepreneurial and technical training for the youth.¹³²
- Towards these ends, good educational institutions and training centres at the village level.¹³³
- Improvement in wage rates.

Table 5: Sector/State-Specific Recommendations

Agriculture and Allied Activities

- High priority must be accorded to the promotion of agriculture trade.
- Emphasis must also be made to diversify exports from different areas. For example, from Murshidabad, mango, litchi, and vegetables can be exported as also silk and jute.
- Among other commodities which should be considered as key areas for export are: flowers particularly lotus, Indian rose, organic food, finger millet, pulses, cereals, soya bean, cotton and oilcakes.
- Easy availability of fertilisers and high-yielding variety (HYV) seeds at reasonable prices.¹³⁴
- Improve food quality regulation to help domestic consumers as well as assist in export readiness.

Orissa

- A provision for procuring farmer's products at government-determined minimum support price and setting up of procurement centres in Koraput.
- Koraput area should also be promoted for spices, cereals, herbal medicinal plants, pineapple and coffee.
- Indigenous seeds should be promoted.
- Organic farming should be encouraged.
- DGFT's regulation must be strengthened to prevent exploitation of forest in the name of medicinal plants.

Rajasthan

- A processing plant for oranges should be set up in the region.¹³⁵

Uttar Pradesh

- A marketing centre in the Harchandpur block of Rae Bareilly to enable farmers to sell their produce (peppermint) at remunerative prices.

West Bengal

Potatoes:

- Securing availability good quality seeds.
- Private investment along with government support to ensure availability of good quality potato seeds and development of infrastructure.

Pineapples:

- Information dissemination about right technology and methods of production.
- Need for more research to enhance quality production of pineapple.
- Easy availability of good seed and ensuring soil fertility.

Mangoes:

- Setting up an export centre in Malda.
- Fruit processing unit at Malda to boost export of Mango pulp, pickles, jam jelly, etc.
- Encourage export of mangoes from Malda to Bangladesh specifically.

Contd...

Handloom, Textiles and Handicrafts

- High priority must also be accorded to the unorganised sector as for about 1,500 weavers in the organised sector, there are 3,500 weavers in the unorganised sector.
- Fixing market price of silk sarees to avoid role of middlemen.
- Extensive promotion of handicrafts through media campaigns amongst consumers to popularise such products.
- In order to promote hand-made items, government must buy products like, jute bags, files, folders etc for their meetings, conference, workshops, etc.
- Fair wages should be fixed for the workers engaged in textile sector.
- A code of conduct must be formulated and followed to ensure fair trade.
- Regular training for the artisans/workers to keep them informed about the changing fashion demand and design.
- Review of foreign trade policy to give fillip to handloom exports.
- The agenda of Inter-State Trade Council should include handloom sector.
- Representation of handloom weavers in the Handloom Monitoring Committee as also in the different committees on textiles.¹³⁶
- At domestic level, strict and comprehensive implementation of Handloom Reservation Act.
- Development of trade statistics on the handloom sector, through DGFT and Directorate General of Commercial Intelligence and Statistics (DGCIS).
- Labelling of power loom and mill sector products in order to distinguish handloom products.
- Separate 'Harmonised System' (HS) classification code for handloom products.
- Create awareness about Handloom Mark.
- Higher budget allocations and reformulation of schemes on the handloom sector.
- Emphasis on tackling corruption and diversion of funds meant for handloom sector.
- Separate handloom policy which at present is integrated in the national textile policy.
- Formation of Chamber of Handloom Industry and Commerce (CHIC) with the support of Government.
- Establishment of a State office of Handloom Export Promotion Council in Hyderabad¹³⁷
- Training to handloom weavers on new trends, designs and consumer preferences.
- Introduction of new technology in the sector.
- Institutional mechanism to bring the entire weaver community under the umbrella of cooperative society.¹³⁸

Uttar Pradesh

Lock and Clay work:

- Packaging and grading techniques for clay products and locks.
- Reducing the high price of sand stone used in clay work.
- Promotion of fair wages and environmental and health safety standards.¹³⁹

Conclusion

The framework of the NFTP is very much rooted in the mindset of a centralised state-led growth model. The policymaking process of the NFTP is highly centralised and not a participatory exercise between various sections of the population, especially those at the grassroots. The underlining assumption is that policy of handing down sops, tax incentives, subsidies would lead to doubling of India's share in global merchandise trade and capturing 1.5 percent of global trade by 2009 from the current 0.75 percent and in the process also generate employment leading to overall development of vast majority of its people.

However, in popular perception, schemes, such as the NFTP are aimed at large farmers and producers and big export houses. Access to specific government trainings programmes and incentives is limited to few progressive and educated farmers. Besides, it envisages no special scheme to involve small farmers and entrepreneurs even though they are increasingly being affected by exporting chains and can also hope to gain from exporting their products.

The problem with government policies is not only lack of consultation with the grassroots but also its poor implementation. Coordination amongst various levels of government machinery dealing with trade issues is poor and results in implementation gaps. Hence, even the best of government schemes come a cropper due to corruption and intransience of vested interests.

Having an overarching policy of export without taking into account the regional and local needs compounds the problem in its implementation.

Lack of infrastructure – especially transport, power supply, storage, lab testing facilities, etc – is considered a major bottleneck for the realisation of export potential. Hence, demand for improving infrastructure has resonated in synch across all states.

One of the cherished goals of the NFTP – trade as a means of creating employment and securing development – is showing signs of improvement, especially by diversifying opportunities and improving wage rates. In people's perception, however, it is not necessarily linked to international trade but attributed to other schemes such as NREGA. Overall thus, people do not feel satisfied with the level of improvement in employment

opportunities and their living conditions and want tangible and more substantial positive outcomes.

Severe knowledge gaps exist at the grassroots about the NFTP, export potential of specific products and quality requirements in international markets. The level of awareness about the NFTP at the grassroots is abysmal. The government has no systematic mechanism for dissemination of information about its export-related schemes and policies. No institutional mechanisms are put in place to educate either the producer groups or exporters about the demands and requirements in the exporting markets due to which export potential cannot be fully realised. Even when producers know about the earning potential of certain crops, they are not able to market them.

Traders, middlemen and agents are entrenched in the system and act as major impediments for producer groups to create wealth. Individual farmers who export their produce are not able to sustain it due to lack of government support and problems with agents in the destination country. Thus, in reality, export for a large section of small and medium farmers and producers are not really an option, also because they are confronted with food security and survival issues.

Endnotes

- 1 The first annual supplement in 2005 further simplified the procedures and promoted state governments in creating an enabling environment for boosting international trade, by setting up the Inter-State Trade Council. The thrust on agricultural exports was renewed by the extension of the *Vishesh Krishi Upaj Yojna* to poultry and dairy products and removal of cess on exports of all agricultural and plantation commodities. The second annual supplement in April 2006 announced the twin schemes of Focus Product and Focus Market to further meet the objectives of employment generation in rural and semi-urban areas. *Vishesh Krishi Upaj Yojana* was renamed *Vishesh Krishi and Gram Udyog Yojana* to increase export of village and cottage industry products. In order to establish India as a jewellery hub, special measures of import and export of jewellery and related items were promoted. The third annual supplement in April 2007 announced exemption of service tax in India and abroad, categorisation of exporters with star marks, expansion of ceiling, scope and coverage of products under the Focus Market and Focus Product Scheme.
- 2 Tirupur, Tamil Nadu (Hosiery and Knitwear); Karur, Tamil Nadu (Handlooms); Madurai, Tamil Nadu (Handlooms); Jodhpur, Rajasthan (Handicraft); Kekhra, Uttar Pradesh (Handlooms); <http://dgftcom.nic.in/exim/2000/appendicies/appendixword/App%2041.doc>
- 3 For example, the Federation of Indian Export Organisations (FIEO) set up in October 1965, as an apex body of all Indian export promotion organisations, also works as a partner of the Government of India to promote Indian exports. Its members account for approximately 73.6 percent of the total exports from India.
- 4 FICCI's suggestions for the NFTP 2004-09, *mimeo*.
- 5 Terms of reference of the board are to:
 - advise the government on policy measures for preparation and implementation of both short and long-term plans for increasing exports in the light of emerging national and international economic scenario;
 - review export performance of various sectors, identify constraints and suggest industry-specific measures to optimise export earnings;
 - examine the existing institutional framework for import and export and suggest practical measures for further streamlining to achieve the desired objectives;
 - review the policy instruments and procedures for import and export and suggest steps to rationalise and channelise such schemes for optimum use;
 - examine issues which are considered relevant for the promotion of India's foreign trade, and to strengthen the international competitiveness of Indian goods and services; and
 - commission studies for furtherance of the above objectives.

The board meets at least once every quarter and makes recommendations to the government on issues pertaining to its terms of reference. It also has the power to set up sub-committees and co-opt experts, to make recommendations on specific sectors and objectives.

The composition of the Board of Trade is as follows:

Dr Kumar Mangalam Birla, Chairman, the Aditya Birla Group DGFT - Member Secretary

Non Official Members:

1. Ishaat Hussain, Tata Sons
2. Baba Kalyani, Bharat Forge
3. Malvinder Singh, Ranbaxy
4. Irfan Allana, Chairman, Allana Sons
5. Jagdish Khattar, MD, Maruti Udyog

6. Ravi Raheja, President Shoppers Stop Ltd.
7. Prashant Ruia, ESSAR Group
8. A.C. Muthiah, SPIC
9. Harsh Neotia, Gujarat Ambuja
10. Rana Kapoor, Yes Bank
11. Ramu S. Deora
12. President, CII
13. President, FICCI
14. President, FIEO
15. President, ASSOCHAM
16. Chairman, NASSCOM
17. Chairman, Gems and Jewellery EPC
18. Chairman, Apparel Export Promotion Council
19. Chairman, Texprocil
20. Chairman, SRTEPC
21. Chairman, Export Promotion Council for Handicraft (EPCH)
22. President, The Seafood Exporters Association of India
23. Chairman, Council for Leather Exports
24. Chairman, Chemexcil
25. Chairman, Pharmexcil
26. Chairman, Coir Board
27. Chairman, Electronic and Software Council
28. Chairman, EPCs for EOUs
29. Chairman, Engineering Export Promotion Council

Official Members:

1. Secretary, Department of Commerce
2. Secretary, Department of Revenue
3. Secretary (ER), Ministry of External Affairs
4. Secretary, Ministry of Textiles
5. Chairman, India Trade Promotion Organisation
6. Chairman and Managing Director, Export Credit Guarantee Corporation
7. Managing Director, EXIM Bank
8. Dy. Governor, Reserve Bank of India
9. Secretary, Shipping, Government of India

6 *Rajasthan Field Report*

- 7 The Council was established under Article 263 of the Constitution of India through a Presidential Order dated 28.05.1990. The duties of the Council include: (a) investigating and discussing such subjects in which some or all of the states or the Union and one or more of the states have a common interest, as may be brought up before it; (b) making recommendations upon any such subject and in particular recommendations for the better coordination of policy and action with respect to that subject; and (c) deliberating upon such other matters of general interest to the states as may be referred by the Chairman to the Council.

The Council is headed by the Prime Minister. The chief ministers of all the states/union territories, as also six Union ministers of Cabinet rank are its members. It also provides for governor of a state under President's rule to attend the meeting of the council and nomination by the chairman of permanent invitees from amongst the other Union ministers, respectively. In 1996, a standing committee of the Council was set up under the chairmanship of Union home minister to have a continuous consultation process on matters for consideration of the Council. Further, it can consider any matter referred to it by the Chairman/Council.

- 8 The Council is represented by chief ministers of the states or state cabinet ministers nominated by the chief ministers, Lt. Governors or administrators of the union territories or their nominees, secretaries of the departments of commerce, revenue, industrial policy and promotion, agriculture and cooperation, shipping, road transport and highways, ministries of external affairs and power, and chairman, railway board. It also co-opts the chairman-cum-managing director of Export Credit Guarantee Corporation, managing director of EXIM Bank, deputy governor of Reserve Bank of India, chairman of Agricultural and Processed Food Products Export

- Development Authority, chairman of Marine Products Export Development Authority and presidents of CII, FICCI, FIEO, ASSOCHAM and Export Promotion Council for EOUs/SEZs.
- 9 Interview with the Agricultural Promotion and Investment Corporation of Orissa (APICOL) official, *Orissa Field Report*.
 - 10 *Tamil Nadu Field Report*.
 - 11 Somasundaram, a weaver in Arani, *Tamil Nadu Field Report*.
 - 12 Representatives from the Traders' Association, *West Bengal Field Report*.
 - 13 *Tamil Nadu Field Report*.
 - 14 *Uttar Pradesh Field Report*.
 - 15 *Tamil Nadu Field Report*.
 - 16 Ghanshyam, *Rajasthan Field Report*.
 - 17 For instance, the Eg. MLA from Malda in West Bengal, Biswanath Ghosh, *West Bengal Field Report*.
 - 18 *Maharashtra Field Report*.
 - 19 *Orissa Field Report*.
 - 20 *West Bengal Field Report*.
 - 21 *Ibid.*
 - 22 Reported in Kandhamal district, *Orissa Field Report*.
 - 23 *Uttar Pradesh Field Report*.
 - 24 *Ibid.*
 - 25 *Orissa Field Report*.
 - 26 Taxes collected from exporters are not used for better facilities. *West Bengal Field Report*.
 - 27 *Uttar Pradesh Field Report*.
 - 28 *Tamil Nadu Field Report*.
 - 29 *Rajasthan Field Report*.
 - 30 *West Bengal Field Report*.
 - 31 *Maharashtra Field Report*.
 - 32 *West Bengal Field Report*.
 - 33 *Tamil Nadu Field Report*.
 - 34 District Supply and Marketing Society (DSMS), *Orissa Field Report*.
 - 35 Amar Mallik, Murshidabad Exporter, *West Bengal Field Report*.
 - 36 *Orissa Field Report*.
 - 37 *Ibid.*
 - 38 *West Bengal Field Report*.
 - 39 *Ibid.*
 - 40 *Rajasthan Field Report*.
 - 41 The bridge linking the market and the main road for transportation of pineapples in the Darjeeling district collapsed and the produce perished but Government did not paid any attention to it, *West Bengal Field Report*.
 - 42 *West Bengal Field Report*.
 - 43 *Rajasthan Field Report*.
 - 44 *Tamil Nadu Field Report*.
 - 45 *West Bengal Field Report*.
 - 46 Bidhan Nagar, *West Bengal Field Report*.
 - 47 *Andhra Pradesh Field Report*.
 - 48 *Orissa Field Report*.
 - 49 *Maharashtra Field Report*.

- 50 *West Bengal Field Report.*
- 51 *Orissa Field Report.*
- 52 *West Bengal Field Report.*
- 53 *Andhra Pradesh Field Report.*
- 54 *Orissa Field Report.*
- 55 *Maharashtra Field Report.*
- 56 *West Bengal Field Report.*
- 57 *Uttar Pradesh Field Report.*
- 58 Nashik district in Maharashtra presents a unique picture covering all types of agriculture. Certain parts of this district have very good irrigation and infrastructure facilities required for agricultural growth where political awareness and literacy levels are also very high. As a result, parts of Nashik have witnessed rapid shift towards high value crops like grapes, pomegranates, sugarcane and vegetables. The region also has strong linkage with international market through export of grapes and wines. But Nashik also has drought-prone areas, some of which have witnessed agricultural growth such as Solapur where the growth in horticulture especially in pomegranate cultivation has linked it to the international market even though at an elementary level. The level of political awareness here is also reported to be high. Ahmednagar is also a district with high level of political awareness and one can witness economic dynamism in the horticulture sector. In contrast, the tribal belt in Nashik district has a sloping hilly terrain with very low level of political awareness and literacy. Understandably, this is the poorest region in the district infamous for widespread instances of malnutrition, *Maharashtra Field Report.*
- 59 *Maharashtra Field Report.*
- 60 *West Bengal Field Report.*
- 61 *Ibid.*
- 62 More than 4,000 NGOs are working in West Bengal but Government always avoid social workers and never consults them. *West Bengal Field Report.*
- 63 *Orissa Field Report.*
- 64 *Tamil Nadu Field Report.*
- 65 *Uttar Pradesh Field Report.*
- 66 *Ibid.*
- 67 *West Bengal Field Report.*
- 68 *Orissa Field Report.*
- 69 *West Bengal Field Report.*
- 70 *Ibid.*
- 71 But this is not the case with the majority of women who suffer myriad kinds of societal oppression, *Uttar Pradesh Field Report.*
- 72 *Uttar Pradesh Field Report.*
- 73 The western region, of which Maharashtra is the lead state, has consistently shown a high two-digit y-o-y growth. Therefore, it is likely to meet the target of doubling the export by 2009, *Maharashtra Field Report.*
- 74 *Maharashtra Field Report.*
- 75 *Ibid.*
- 76 *Rajasthan Field Report.*
- 77 *Ibid.*
- 78 *West Bengal Field Report.*
- 79 *Uttar Pradesh Field Report.*
- 80 *Maharashtra Field Report.*
- 81 *West Bengal Field Report.*
- 82 Khara, District Horticulture Officer, *West Bengal Field Report.*
- 83 *Uttar Pradesh Field Report.*

- 84 *Ibid.*
- 85 *Ibid.*
- 86 *Maharashtra Field Report.*
- 87 *West Bengal Field Report.*
- 88 *Ibid.*
- 89 *Orissa Field Report.*
- 90 In 1999-2000, this scheme was transferred to a different scheme titled Development of Export Product and their Marketing (DEPM).
- 91 *Rajasthan Field Report.*
- 92 Surjeet Singh, farmer, *Uttar Pradesh Field Report.*
- 93 Perumal, weaver in Kancheepuram, *Tamil Nadu Field Report.*
- 94 *Tamil Nadu Field Report.*
- 95 *Rajasthan Field Report.*
- 96 *Andhra Pradesh Field Report.*
- 97 *Ibid.*
- 98 *Ibid.*
- 99 *Ibid.*
- 100 *West Bengal Field Report.*
- 101 *Ibid.*
- 102 *Andhra Pradesh Field Report.*
- 103 *Rajasthan/Uttar Pradesh Field Report.*
- 104 *Uttar Pradesh Field Report.*
- 105 *Rajasthan Field Report.*
- 106 *Uttar Pradesh Field Report.*
- 107 *Andhra Pradesh Field Report.*
- 108 *West Bengal Field Report.*
- 109 *Maharashtra Field Report.*
- 110 *Uttar Pradesh Field Report.*
- 111 *Andhra Pradesh Field Report.*
- 112 *Maharashtra Field Report.*
- 113 *Uttar Pradesh Field Report.*
- 114 Kathiyala village of Kakori block, *Uttar Pradesh Field Report.*
- 115 *Uttar Pradesh Field Report.*
- 116 Haripada Basak, *West Bengal Field Report.*
- 117 *West Bengal Field Report.*
- 118 *Maharashtra Field Report.*
- 119 *West Bengal Field Report.*
- 120 Abdul Rejjak, *West Bengal Field Report.*
- 121 *West Bengal Field Report.*
- 122 *Andhra Pradesh Field Report.*
- 123 *Maharashtra Field Report.*
- 124 *Uttar Pradesh Field Report.*
- 125 *West Bengal Field Report.*
- 126 *Orissa Field Report.*
- 127 Ghanshyam, *Rajasthan Field Report.*
- 128 *Maharashtra Field Report.*

- 129 Balwant Saharan, *Rajasthan Field Report*.
- 130 *West Bengal Field Report*.
- 131 In Siliguri, West Bengal, many initiatives, such as warehouses, cold storage, packing facilities, food park have been undertaken with successful results for export through public-private initiatives. *West Bengal Field Report*.
- 132 *Uttar Pradesh Field Report*.
- 133 *Ibid.*
- 134 *Ibid.*
- 135 *Rajasthan Field Report*.
- 136 *Andhra Pradesh Field Report*.
- 137 *Ibid.*
- 138 *Tamil Nadu Field Report*.
- 139 *Uttar Pradesh Field Report*.

CUTS Centre for International
Trade, Economics & Environment



ISBN 978-81-8257-115-0

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