CUTS International

Making Things Happen

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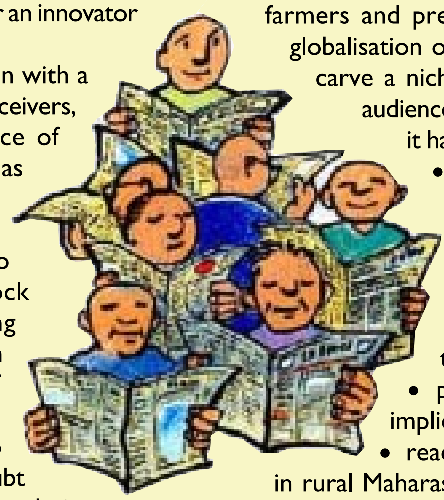
Media's Role: A Crucial Responsibility

"Media is a tool which does not discriminate between the collapse of a civilisation and a mere bicycle accident"— Jefferson's oft repeated quote lingers on as the *mantra* amongst most media persons. Herbert Schiller, an American media critic, has ascribed to the media the role of mind managers. Implicit in this quote are the repercussions that are plausible at the societal level, given that the media performs one of the most critical functions in contributing to the tenor of public sphere. Ideally meant to be an objective and neutral participant, media today is either a legitimiser of *status quo* or an innovator of existing social equilibrium.

It is indeed ironic that media is taken with a sense of helpless acceptance among its receivers, especially when it is ostensibly a voice of democracy. Sensationalism has surfaced as the cornerstone upon which the media thrives. In fact, it has become a tacitly accepted norm among media persons to report 'heavily' on stories with "shock values" or call attention to grabbing popular names or events, rather than giving space to more pressing issues of concern to the general public.



Globalisation, on its part has also impacted this institution. There is no doubt that the wide spectrum of media increases choices, provides opportunities for cultural expression and dialogue, and facilitates the flow of information on a global scale. However, during the last few decades there has also been a concentration of ownership and a limitation of access to the content sources. A more 'business oriented' media is what it is allegedly characterised by its presentation and outreach. Apart from rising rate of corporate takeovers of the Indian press, the last decade or so has witnessed cut-throat competition among various media houses in an effort to reach out to a wider audience. Critics often throw light on the need for Media's Social Responsibility (MSR). As an ideal, MSR lays priority on Return on Investment (RoI), seeking to capitalise on value-based social role.

However, not completely devoid of hope, the media industry in India has in the recent past sought to respond to such criticism positively. A case in point is *Agrowon*, a daily newspaper published by Pune-based *SAKAL* Group of Papers. Focusing on farmers, *Agrowon* provides useful information on weather, prices of commodities, updates on seeds, crop patterns and technology etc. The paper has been conceptualised on the basic tenets of the *SAKAL* Group which stress on six E's: a) enlighten; b) empower; c) educate; d) engage; e) entertain; and f) enrich.

Agrowon has been trying to generate awareness amongst farmers and prepare them to face the challenges of globalisation on agriculture. Today, it has managed to carve a niche for itself by reaching out to a wide audience, especially in rural Maharashtra. To date, it has:

- conducted 59 workshops on *Jatropha* and Bio-Fuel Bamboo, value addition in core cereals, agro tourism, horticulture mission, importance of oilseeds, medicinal plants, farm management, micro credit etc., for more than 26000 farmers across Maharashtra;
- provided information regarding various implications of WTO regulations;
- reached out to more than 10 lakh farmers in rural Maharashtra;
- provided surfing of www.agrowon.com to more than 1,60,000 people; and
- sold more than one lakh copies of *Agrowon* on a daily basis.

Agrowon, through its daily coverage and various workshops, has played a vital role in spreading awareness on various agricultural issues amongst the farmers. Today farmers are involved in activities such as taking initiatives in forming water bodies/banks; taking help of pest forecast regarding weather alerts; marketing of agro products through self help groups (SHGs); perceiving micro credit as power to transform production into profit; seeking guidance on agro based activities; group buying and/or selling, participating in fixing Minimum Support Price (MSP); exploring the possibilities of having retail linkage; and using high productivity technology for groundnut, sesame, mustard, castor, oilseeds, etc.

The success of India's only agro-centric daily *Agrowon* rightly shows the way and testifies that if media has the will and intends to focus on socially relevant issues while generating utility content, then it can *Make Things Happen*!!

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INSIDE

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Left Pans Seeds Bill

Left Parties are closely studying the recommendations of the Standing Committee on Agriculture (SCA) on the Seeds Bill 2004, which seeks to repeal the Seeds Act of 1996. The Committee has suggested broad amendments to the Bill.

The Committee has pointed out that certain clauses of the Seeds Bill 2004 restrict the rights of farmers. Experts argue that the Bill is anti-farmer and illegitimate, and it gives total control to the corporate sector, infringing farmers' rights.

If passed in its present form and enforced ahead of the Protection of Plant Varieties and Farmers Rights (PPVFR) Act 2001, the Bill, will nullify the PPVFR Act, which is a pro-farmer legislation. A Left party source said the Bill would not be passed without incorporating the amendments.

(HT, 05.12.06)

Public-Private Partnership

The private sector and agriculture could work together to make India's rural economy a global agricultural powerhouse. This was said by experts at the India Economic Summit held in Delhi recently.

One expert opined that rural India had shown great receptiveness to private players who brought in low-cost communications, opportunities for crop diversification or product enhancement or avenues to facilitate the education of children. Government officials and private business leaders must put together their heads to push the economy to use its resources more efficiently, the experts added.

Jyotiraditya Scindia, MP, called for effective public-private partnership (PPP) models to provide information, technology and tools to farmers.

(HT, 29.11.06)

Banking Sector Under Scanner

The Maharashtra co-operative banking sector has come under scanner. The critics point out a number of frauds that have taken place, affecting the sector over the past few years. Farmers in Maharashtra get agri loans at 13-14 percent, while those in other states pay just eight percent.

The reason for this lies in the state's three tier banking structure. NABARD in Maharashtra sanctions funds to the State Co-operative Bank, which, in turn, passes funds to respective district cooperative banks.

These cooperative banks lend money to agricultural cooperative societies when the actual disbursement to farmers takes place. Politicians who have a powerful lobby control most cooperative banks. Even the State Government could not bring the rate of interest to six percent. *(ET, 20.10.06)*

Ministers against Ban of Exports

The Agriculture Ministers from different states have urged the central government not to ban farm exports in the interest of farmers. They also called for imposition of a differential rate of import duty.

The meeting of the state agriculture ministers, which was held recently, also favoured the need for minimising the share of middlemen in agricultural marketing. This meeting deliberated on the recommendations of the NCF.

The Ministers stressed the need for reorienting agriculture research to address the problems of small and marginal farmers saying that there should also be Minimum Support Prices (MSPs) for horticulture products and livestock products.

Further, the ministers demanded a zone specific pricing structure for the determination of MSPs considering the limitations of productivity in different areas. They voiced the need for suitable agricultural implements for use by small farmers that should be developed with the help of premier institutes and for investment in agriculture to be increased substantially. They also called for a detailed policy for land use.

(FE, 28.12.06)

Farm Sector Grabs Centre Stage

The pre-budget consultation meeting with Finance Minister P Chidambaram was attended by 12 agriculture experts. The experts said, "Budget 2007-08 should include measures to mitigate the hardships faced by small farmers, urging the government to initiate measures that would step up investment in the farm sector and boost productivity".

The agriculture experts asked the government to augment resources for the farm sector. The demand to prioritise the agri-sector came close on the heels of the government's special economic zones (SEZs) policy. Besides, the experts suggested increased budgetary allocation and strengthening of financial institutions such as National Bank for Agriculture & Rural Development (NABARD).

The Member of Parliament (MP) Sharad Joshi suggested that crop loans should carry four percent interest rate as per the recommendations by NCF.

Water conservationist Rajindir Singh demanded for cheap loans for digging wells and tube wells.

(ET, & FE, 30.12.06)

Agri Policy on the Anvil

Agriculture Minister Sharad Pawar informed that the government was examining several recommendations of National Commission on Farmers (NCF) including the expansion of the formal credit system, lowering of rate of interest on crop loan to four percent, structuring of micro finance, moratorium on debt recovery and waiver of interest on loans in distress hotspots and during calamities.

Government would soon decide on the NCF's report on farmer's suicides and the need for a new agricultural policy.

The Minister also informed that comments of other ministries were taken on the recommendations of the Commission. Once this is finalised, concrete proposals will be submitted for cabinet consideration. Agriculture scientist and NCF Chairman M S Swaminathan has recommended a new agriculture policy to check the static growth rate in the sector. He has also recommended several measures to improve the agricultural economy and reduce the debt burden on farmers.

(HT, 06.12.06; ET, 15.12.06)

Jump in Textile Exports by 2010

Business Standard

India's textile exports are forecast to rise to US$10bn by 2010 from US$3bn in 2005, on the back of self sufficiency in cotton and recent acquisitions and tie-ups with global brands, Citigroup Global Market India said in its equity research report.

The Indian textile industry is one of the largest and important sectors in the economy in terms of output, foreign exchange earnings and employment. It contributes 20 percent of industrial production, nine percent of excise collections, 18 percent of employment, 20 percent of country's export earning and four percent to the gross domestic product (GDP). Textile exports during April-November 2005 were at US$9,309.81mn, up 8.21 percent from US$8,603.33mn during the corresponding period last year. *(BS, 05.12.06)*

Vision Document Released

The Union Government is committed to create an enabling and conducive environment for the Indian textile to modernise and expand capacities as it constitutes the 'backbone of our manufacturing sector', said the Union Textile Minister, Shankersinh Vaghela.

The Minister expressed happiness over the industry's vision to make investment of Rs 1,94,000 crores (US$43.8bn) by 2012. At the same time, its vision to capture a market size of US$110bn was lower than Government's objective of US$115bn at the end of 11th Plan.

He urged the industry to focus more on manufacturing value-added items since the higher growth in value will flow from manufacture of more valued products and a rise in use of diversified textile products such as technical textiles. *(BL, 18.12.06)*

Upgradation of Textile Industry

The Ministry of Textiles has sent a proposal to the Planning Commission for creating hubs across the country. The aim is to achieve US$50bn textile exports by 2010.

Proposed to be called 'Textilepolis', these hubs will include manufacturers, research and development laboratories and handloom sector activity. They are proposed to be based on the PPP model.

The ministry has mooted the idea of designing 24 new textile parks which would require an estimated investment of over Rs 1,000 crore (US$22.6mn). This is part of the draft plan to raise country's share of global textiles trade to 10 percent by 2015 from the current three percent. These parks are expected to make the Indian industry competitive *vis-à-vis* other nations.

(FE, 01.10.06; ET, 19.12.06)

Extension of TUFS

Technology Upgradation Fund Scheme (TUFS), launched in 1999, enables the lenders to give an interest subsidy up to five percent for modernisation and technological upgradation. Financial institutions have disbursed Rs 12,673 crore (US$2.9bn) under the scheme so far, for projects with total investment of Rs 47,217 crore (US$10.6bn).

Presently, the textile ministry is seeking a five year extension for TUFS beyond its current deadline of March 31, 2007. The extension of TUFS scheme is likely to be finalised after the meeting of Prime Minister's High Level Committee on Manufacturing (HLCM).

The Confederation of Indian Textile Industry (CITI) has also requested the Centre to continue the scheme till end of 11th Plan. The process of capacity building currently in progress in different segments of textile industry could reach reasonable levels by that time and can run on its own stream if only the TUFS assistance is continued for five years tenure.

(ET, 18.12.06; BL, 16.12.06; TNN, 31.12.06)

Global Growth of Indian Textiles

India, China and Pakistan have boosted their roles in global exports of textiles and clothing (T&C) in 2005, while the market shares of the suppliers of these products from South and Central America and Africa have suffered big losses.

In the list of leading exporters of textiles in 2005, India figured 7th with US$7.85 bn. The EU topped the list with US$68bn, followed by China with US$41bn. In the import list in the same category, India finished 14th with US$2.1bn. Amongst the leading exporters of clothing, India was 5th with US$8.29bn.

"Today India, China and Pakistan have become very competitive. Earlier, they were stopped by quotas. Now, in spite of the price difference imposed by duties, we are still able to compete with the countries having a preferential treatment", said DK Nair, secretary-general, CITI. *(FE, 14.11.06)*

Handicrafts Fund Proposal

The Centre is examining a proposal aimed at creation of Rs 1,000 crore (US$22.6mn) fund to cover aspects such as improving the overall product, designing, publicity, promotion and marketing of Indian handicraft products across global markets.

The Textile Minister Shankersinh Vaghela said that this would increase handicrafts exports over the next five years and take India's share in the US$235bn world market from the current two percent to four percent.

While presenting the 15th annual export awards he said, "handicrafts had reached Rs 16,000 crore (US$3.6bn) during 2006-07 and between April-November 2006, they had clocked Rs 9,116 crore (US$2bn)". *(BL, 29.12.06)*

Textile Industry's NREG Solution

— A K Bhattacharya*

If the government is guaranteeing jobs for 100 days a year, why cannot the textile industry be allowed to hire and fire workers as long as they guarantee them jobs for 150 days a year?

India's textiles industry clocks an annual turnover of over Rs 2,10,000 crore. More than a third of this is exported. It employs about 35 million people. And it has made a simple suggestion to the government: Please allow the units producing garments to provide jobs to people for a fixed tenure of 150 days a year at a salary that is above the minimum wages stipulated under law.

The plea sounds similar to a scheme that the government itself runs using the tax-payer's money. The National Rural Employment Guarantee (NREG) Act provides for 100 days of work in a financial year to any one member of a family in 200 districts of 14 states in the country. The textiles industry has argued that it is willing to train the people, provide them guaranteed jobs not for just 100 days, but 150 days in a year, and pay them wages, without being a burden on the exchequer.

The Financial Express

The argument is that if the government can be allowed to provide guaranteed jobs to people for only 100 days, surely a private sector garment producer should be permitted to provide minimum guaranteed jobs to people for 150 days a year, particularly when the garment producer is willing to bear the cost of training those who come up for such fixed tenure jobs. The reason why the industry needs the government's clearance to provide fixed tenure jobs to skilled or semi-skilled workers is that the country's labour laws at present do not allow this.

The Textiles Minister has given a patient hearing to industry representatives on this issue. But nothing seems to have moved. Garment exporters have to depend a lot on seasonal swings in demand. It is often flooded with huge orders, which have to be met within a short period of time. It must have the flexibility to scale up its production capacity at short notice.

It, therefore, needs to have the flexibility to employ people on a fixed tenure so that it need not incur wage costs when there is no work. This has become necessary to cut costs in a hugely competitive market.

Industry representatives have had a round of meetings with leaders of Left political parties also. The Left leaders have directed them to first convince the trade union representatives before making a case for fixed tenure jobs in the textiles industry. Recognising that the government is unlikely to move ahead on this issue, the textiles industry is now using the NREG argument. But so far, no one in the government seems to be convinced.

There are three specific demands the industry has made. One, garment producers should be allowed to hire employees on fixed tenures. Two, they should be free to extend the weekly working hours limit of 48 hours, subject to adequate compensation. And three, garment units should be allowed to close down their operations if they can establish that they have no orders.

In today's context where there is no movement on labour law reforms, it will be naive to expect the government to even consider a change in the laws to allow closure of unviable garment units. But there can be little debate on the first two suggestions. At present, a request from a garment unit to extend the weekly working hours schedule beyond 48 hours is granted only if the local labour commissioner's office agrees to the request for exemption from the rule. Garment units know that obtaining an exemption is an additional cost because the system is not clean. But if the rules within the existing labour laws are changed to extend the working hours limit in a week, subject to adequate compensation, there will be less discretionary powers for the bureaucracy and garment units will heave a sigh of relief.

Similarly, permitting a garment unit to employ people on a fixed tenure should solve a big problem it faces in the busy season to meet a sudden surge in the order book. And no one should really complain as after all the NREG Act too offers guaranteed jobs only for 100 days in a year!

** Business Standard, 03.10.06*

SOURCES: BL: The Hindu Business Line; BS: Business Standard; ET: The Economic Times; FE: The Financial Express; HT: Hindustan Times; TH: The Hindu; TNN: Times News Network

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