



### TWO-WEEK TRAINING PROGRAMME

#### INDIAN CORPORATE SECTOR

27 September – 09 October 2010

##### Background

Corporate data is being increasingly used by economists as, unlike aggregate Annual Survey of Industries (ASI), it enables incorporation of more qualitative and behavioural aspects into the analysis. However, empirical studies which fail to take note of the characteristics of the corporate sector, scope and limitations of data and relevant public policy provisions may result in incomplete or even improper portrayal of the prevailing situation and might end up offering incorrect policy prescriptions. It is evident that these essential elements of research on corporate sector do not normally form part of the economics curriculum in India. The interaction of ISID faculty with a large number of researchers over the years underlined the need for sufficiently exposing economists working in the area of corporate sector, especially the young ones, about the scope, concepts, data and the policy environment.

The Institute keeping in view of the requirement of researchers approached the ICSSR to extend support under its scheme of Training Courses in Research Methodology for organising a two-week *Training Programme on the Indian Corporate Sector*. Broad elements proposed in the programme were: (i) the institution of Joint-Stock Company; (ii)



Dr Abid Hussain, Member of the Board, ISID, delivering inaugural speech

Corporate Sector in India; (iii) Policy Environment; (iv) Corporate Finance; (v) Foreign Investments; (vi) Corporate Restructuring; and (vii) Corporate Disclosures & Databases. The course was targeted at young researchers in academic institutions, university departments and teachers in colleges who are primarily from the economics discipline and whose work is related to the Indian corporate sector.

##### Participants

Applications were invited for participation in the course from all over the country through an advertisement in the *Economic & Political Weekly* (EPW) dated 24 July 2010 and through direct mailing to university departments, colleges and institutions. Applications were received from all regions of the country though North and South regions dominated. Interestingly, some scholars/teachers from disciplines

### REMEMBERING FORMER CHAIRMAN PROF. ARJUN K. SENGUPTA

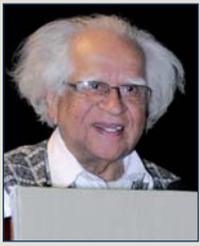


It was with a deep sense of grief and heavy heart that the ISID Board of Governors, faculty and staff received the news of Prof. Arjun Sengupta's untimely passing away on 26 September 2010. His association with ISID, though for a short period, had been purposive and fruitful. He believed in public systems and independent thinking. He saw the ISID as an autonomous independent think tank in the public domain to provide empirical content to the debates on contemporary social and economic issues.

He guided the working of the Institute as Chairman of Board of Governors for nearly two and half years. Under his Chairmanship the Institute made remarkable progress. He inspired one and all at the Institute with his warm, helpful and friendly approach. In his death, the social scientist fraternity has lost a fatherly figure and an ardent supporter.

We join Prof. Sengupta's family in paying homage to the departed. May his soul rest in peace!

## NEW CHAIRMAN DR ABID HUSSAIN



Dr Abid Hussain is a noted economist and a diplomat. He served as India's ambassador to the United States of America from 1990-1992. He was a Member of India's Planning Commission from 1985-1990. He also served as Secretary in the Ministry of Commerce and Ministry of Heavy Industry as a member of the Indian Administrative Service (IAS).

Dr Hussain was honoured in 1988 with the Padma Bhushan (awarded to recognize distinguished service of a high order to the nation) and has been at the forefront of India's economic and trade reforms since the 1980s. He chaired six important committees set up by the Government of India covering Trade Policy Reforms; Project Exports; CSIR Review Committee for Development of Science and Technology; Textile Policy of the Government of India; Development of Capital Market; and Small Scale Industry. Of these, the Abid Hussain Committee Report on Trade Policy Reform and the Abid Hussain Committee Report on Small Scale Industries have been regarded as milestones in India's economic reforms. He is married to Trilok Karki, author of "Sino-Indian Conflict and International Politics in the Indian Sub-Continent", (1977) and has three children. Dr Hussain grew up in Hyderabad, his hometown in Andhra Pradesh, and enjoyed a combination of pleasant humour and serious debating.

He is associated with several regional educational, scientific and cultural organizations within India and abroad being widely acclaimed and acceptable in resolving any complicated issue with a finesse.

like Commerce and Management also showed interest in availing of this opportunity. In view of their keenness, relevance of their research topics and the expectation that participation of such scholars would enhance the quality of discussions and in the process further help the participants from the Economics discipline, their applications were also considered for selection. The final batch consisted of 21 participants and most of the scholars are from non-metropolitan cities for whom opportunities for external interaction are generally limited. Fifteen out of the 21 participants were research scholars registered for Ph.D. Four participants were university lecturers and two were teaching in colleges.

### The Programme

The Training Programme was organised during 27 September – 09 October 2010 at the Institute's premises. Prof. M.R. Murthy, Officiating Director ISID welcomed the participants and explained the context of the programme. Prof. S.K. Goyal, Vice-Chairman ISID, who Chaired the Inaugural Session described the background of ISID as a specialised centre on industrial policy research and underlined the need to undertake research based on unit-level data. The Programme was inaugurated by Dr Abid Hussain, former Indian Ambassador in US and former Member, Planning Commission, who emphasised the need to bring in policy and entrepreneurial elements into the empirical research on Indian industrial and corporate sectors. Dr G.S. Saun, Director, ICSSR explained the objectives of ICSSR in sponsoring Research Methodology courses and said that the present programme was deliberately designed to be different from the regular courses. He expressed satisfaction that the participants were drawn from different parts of the country, especially from smaller towns.

The Valedictory Session of the Programme was held on 09 October 2010 with Prof. K.L. Krishna as the Chief Guest. Prof. Krishna, who gave a talk on "Understanding Jobless Growth in Manufacturing", expressed his happiness that the ISID took up the task of meeting an important requirement of researchers



ISID faculty with Training Programme participants

in the area. Prof. Goyal, Chairperson of the Session, thanked all the participants and resource persons and offered to organise more such courses in future and distributed certificates to the participants. Dr Saun, after hearing the participants of their experience and views, said that he was personally happy that the experiment was quite a success and that the ICSSR would take note of the feedback provided by the participants in the 'Participant's Overall Evaluation' in designing future such courses. Prof. M.R. Murthy proposed Vote of Thanks.

Prof. K.S. Chalapati Rao was the Course Director. Prof. K.V.K. Ranganathan and Prof. Surajit Mazumdar co-ordinated the programme with the support from other faculty members and staff.

### Course Content and Faculty

Keeping in view of the background of the participants training programme focused on the Indian corporate sector with strong emphasis on policy and data sources. The following broad topics were covered:

- *Institution of Joint-Stock Company*: relative advantages over other types of organizations, ownership and control aspects;
- *Corporate Sector in India*: historical background, changing role of different sub-sectors in the Indian economy, business groups;
- *Policy Environment*: pre-1991 and post-1991 regulatory environment; company law, anti-monopoly legislation, sectoral regulations;
- *Finance*: capital structure, financial ratios and their significance, equity and debt, market and institutional finance, domestic and foreign, capital issues, pattern of equity ownership, corporate governance;
- *Foreign Investment*: concept, identification, inward and outward, technology transfer; and
- *Corporate Restructuring*: mergers, acquisitions, privatization, sickness, business failures;
- *Corporate Disclosures*: annual reports, prospectuses, supplementary information supplied to (available from) regulatory bodies, concepts, economic significance and practical limitations.

Apart from lectures, audio-visual presentations and interactive sessions, sufficient time was earmarked for hands-on experience. To familiarise the participants with different aspects of corporate disclosures through annual reports and through stock exchanges considerable time was allocated to demonstrate CMIE-PROWESS, a widely used corporate database. The practical sessions were found to be “very useful” by most of the participants and they had specified that the practical sessions enhanced their awareness and knowledge of corporate databases.

The programme laid considerable emphasis on practical aspects of the corporate sector because scholars would not generally come into contact with administrators and professionals. That is why in addition to the ISID faculty, senior scholars, officials and practitioners having deep knowledge of various issues relating to the Indian industry and corporate sectors were requested to address the participants.

### Evaluation by the Participants

As many as 15 out of the 21 participants found that “the course was a great success”. While it was easy to understand that participants from Economics background would find the course highly relevant, it needs to be underlined that even some participants with Commerce and Management backgrounds found the training very relevant. A large majority of the participants felt that the topics covered in the training programme were ‘Adequate’. Similar was their response regarding duration of lectures and time schedule and emphasis on individual topics.

It is extremely satisfying to note that *all the participants* mentioned that the general atmosphere of the Institution was “very cordial and personalised”. The general feeling was that ISID should conduct more such courses in future. Some of the comments and suggestions of the participants were:

- The programme is most useful and I want to thank ISID faculty members who supported us in all aspects.
- The Library facilities and people are also extremely cooperative.
- Thank heartily ISID for conducting such kind of programme.
- Need more time for valuable discussion.
- This kind of training programme is highly needed to give new insights of corporate sector for researchers.
- Number of such programmes planned by ISID should not be less than three per year.
- This corporate training will become milestone in corporate sector research for participants and it will enhance knowledge on this sector.
- It was very useful so please conduct such training programmes at ISID.
- Focus on one particular area and try to give some insights for further research.
- It is suggested to organise more such training courses in the Institute as it can contribute to improve the research skills of the researchers, which is urgently needed to improve the quality of research in India.
- Be a bridge between the policy makers and researchers.
- Provide the programme details well in advance.
- I am worried about organisers. If they have to invest such programme with so much of care and love, it might distract them from what they are best at – delving deep. But encouraging others is also important. Thus they have to manage trade-off.
- In the next training programme, participants must be allowed to present their ongoing work to get constructive comments.
- I learnt a lot from some resource persons.

## TWO-DAY INTERNATIONAL SEMINAR

### THE GLOBALIZATION OF PRODUCTION MODELS AND INNOVATION IN EMERGING ECONOMIES: COMPARATIVE RESEARCH ON SUBNATIONAL INDUSTRIAL POLICIES. INDIAN CORPORATE SECTOR

November 19–20, 2010

#### The Background

The motivation for organising this seminar was to bring together scholars examining research themes pertaining to the evolution of production models in regions of India and China, in relation to the progressive opening of these large economies to trade and FDI. Of particular interest was a focus on industrial policies emerging at the state or provincial level, which are often specialized in particular sectors and rely on specific types of social capital. Equally important is the manner in which these public policies interact with firm-level strategies, to complement or compensate, in pursuit of more broad-based development

goals. This reflection, from a subnational perspective, builds on research-in-progress on the industrial policies of several Indian states (Andhra Pradesh, Haryana, Kerala, Tamil Nadu), and on industrial restructuring and technological upgrading in the provinces of Guangdong, Hubei (around the city of Wuhan) and in the Yangtze delta, mainly in textiles, automobiles and IT.

It was also observed that there are striking similarities in the constraints and opportunities facing India and China in the context of increasing competition in export markets. Especially the identical policy objectives, both national and regional, in both countries concerning industrial development—promoting sectors with higher value added, technological upgrading, and various efforts to generate local employment. At the same time, this research as well as the academic literature published in the field of economic and technological growth in emerging economies stress important differences in the way subnational regions in each country respond to and articulate with global markets. Regional capacities and modes of global articulation remain intimately linked with the specific historical trajectories of industrialization in the concerned regions (past industrial policies, policy environment for foreign investment and trade, political and social factors, to name just a few).

To explore these themes, the ISID organised this international seminar, in collaboration with two French research institutes, the Centre for Research on Contemporary China (CEFC) in Hong Kong and the Centre for Human Sciences (CSH) in Delhi. The main objective of this seminar has was to:

- Bring together Indian and Chinese researchers working on these themes, in order to identify the main similarities and differences in the industrial trajectories of the study regions in terms of policy, restructuring, technological upgrading, and international trade.
- Fill the gap in comparative research in this area by encouraging scholarship in the form of seminar presentations, and by publishing selected papers. This seminar could contribute to stimulating future research in this field.
- Put in place a research network, that could form the basis for a grant proposal to fund subsequent research in India and China in this emerging field.

The two-day international seminar was inaugurated on 19 November 2010 by Dr Abid Hussain, former Indian Ambassador in US and former Member, Planning Commission, Prof. M.R. Murthy, Officiating Director ISID welcomed the participants and briefly informed about the activities of the Institute. Dr Abid Hussain requested Prof. S.K. Goyal, Vice-Chairman ISID, to give brief description and origin of the Institute. Prof. Goyal, who had chaired the inaugural session, briefly outlined the research studies undertaken at ISID on different aspects of industrialisation like small scale and big business, foreign capital and its role, industrial licensing. He also explained about the information system and research infrastructure created at the Institute for the benefit of research scholars. Then, Dr Abid

Hussain invited the participating institutions to explain about their activities and association with the present seminar.



*Dr Abid Hussain & Prof. S.K. Goyal interacting with seminar coordinators*

Dr Basudeb Chaudhuri, Director, Centre de Sciences Humaines (CSH), New Delhi, expressed his pleasure to be at ISID and to collaborate with this important seminar of CSH interest. Dr Chaudhuri briefly explained about the origin of CSH, its areas of research and the association with research organizations in India and other parts of the world. He explained that the CSH specializes on contemporary social sciences particularly on India and South Asia to serve as platform for promoting research and helping scholars. Dr Chaudhuri showed a keen interest on ISID databases and also briefed about the databases maintained by CSH.

Dr Loraine Kennedy, Joint Director, Centre for South Asian Studies, Paris, outlined the background of the project saying that this is really a reflection on the on-going research in the three collaborating institutions ISID-CEFC-CSH. The seminar provides an unique opportunity to come together to promote research network to carry forward the under researched field of sub-national industrial policies and performances in a comparative perspective. Dr Loraine gave a brief account of the support, especially from the French Ministry of External Affairs, in helping to organize this seminar. She explained about her association with CSH, in undertaking research programme on economic reforms, regional economies and involving federal governance. She also said that her earlier association with Prof. Sunanda Sen and her work on China and the type of research undertaken at ISID on industrial development has helped all the three institutions to join together to organize this seminar.

Dr Jean Francois Huchet, Director, French Centre for Research on Contemporary China (CEFC), Hong Kong, said that the CEFC is sister institution of CSH and part of the network of the 27 French research centres abroad supported by the French Ministry of Foreign Affairs and the CNRS. Dr Huchet explained that the CEFC's mission is to explore the political, economic, social and cultural developments in the contemporary Chinese world and its association with Universities in China and with leading research centers on contemporary China all over the

world. He briefly outlined the CEFC areas of research comprising of public sector reforms in China, corporate governance issues, innovation process in different regions especially in the southern parts of China. Dr Huchet also mentioned about CEFC relationship with ISID when they were working on issues on corporate governance.

Dr Abid Hussain complemented each of the collaborating Institutions for their contribution to the academic world and also for joining together to organise an important seminar which is going to discuss the subjects that are going to show amazing interest in a new agenda which has come up. With this globalization not only there are some agenda items of the past which are going to be taken up but new agenda has also come up, for instance, the controversy over the question of currency, question of climate, shifting of powers etc. I am sure during these two days some of the studies will bring out some answers to these challenges which will be of great interest. He also expressed his happiness for the interest shown by CSH, CEFC for future joint programmes with ISID.

Institute coordinated the task of inviting papers from Indian scholars through an advertisement in EPW and CEFC coordinated the task of inviting papers from outside India, especially from Chinese scholars. To help in their selection, the paper writers were asked to send an abstract of around 1,200 words of their paper. After scientific scrutiny, 9 papers from Indian scholars and 5 papers from outside India were selected for the seminar. Three Chinese scholars, who were selected, could not present their papers in the seminar due to visa clearance problem. The session-wise details of the seminar are given the following paragraphs.

### **Session 1: Keynote Presentations, chaired by Dr K.V.K. Ranganathan**

- *Reassessing the Impact of Industrial Policy in China's Industrial Take-off After 1978* by Dr Jean-François Huchet, Director, CEFC

This presentation made a detailed review of the following issues:

- Role of the State in China's industrial take-off since 1978;
  - The crucial role played by industrial policies in China's industrial success;
  - The reasons behind the efficiency of the State;
  - The difficult articulation between different administrative levels in China's industrial policy; and
  - The future of China's industrial policy.
- *Regional Heterogeneity and Firms' Innovation: The Role of Regional Factors in Industrial R&D in India* by Dr Jaya Prakash Pradhan, Sardar Patel Institute of Economic & Social Research, Ahmedabad

Dr. Pradhan presented results of his study which attempts to estimate the magnitude and intensity of manufacturing firms' R&D by Indian states during the period 1991-2008, and analysed the role of regional factors on firm-level

R&D activities. The study brought out the fact that the total manufacturing R&D investment in India is unevenly distributed regionally with a few states accounting for disproportionate share of it. It also highlighted that between the 1990s and the first decade of the twenty-first century, regional heterogeneity or inter-state disparities in R&D increased. Dr Pradhan also presented results from an empirical model that included regional factors as probable factors affecting R&D, and the policy suggestions following from these.

### **Session 2: Upgrading Regional Industries in India and China, chaired by Prof. Sunanda Sen**

- *Industrial Policy of New Energy Vehicles in China: the interaction between central government and Shanghai government*—William Hua Wang, Euromed Management Ecole de Marseille, France

Prof. Wang gave a brief introduction to the new energy vehicles segment in China, and the motivations behind its promotion and development. Placing it in the background of the evolution of automobile industry policies, the dynamics of the Shanghai automobile cluster which evolved over 1985-2010, and the role played in it by the central government the Shanghai government's policies, Dr. Wang assessed the prospects and requirements of the development of the new energy vehicles sector in China.

- *Constraints, Complementarity and Adjustment: A Comparison of Two Knitwear Regions in India—Ludhiana and Tirupur* by Dr Meenu Tiwari, Associate Professor, University of North Carolina and Dr Manjeeta Singh, Research Associate, ICRIER

The presentation brought out the performance of the Indian textile industry four years after the removal of quotas; the key constraints to achieving global competitiveness; and sub-national and regional differences. The authors compared the two knitwear regions -- Ludhiana and Tirupur - which produce the same product but do so in quite different ways. The paper argued that the nature of their end-markets, local micro-political cultures and government policy have interacted to shape different trajectories of upgrading and capacity for resilience to crises in the two regions. The nature of the constraints faced by the two regions is also different.

- *Evolving Joint Ventures: Impact, Local Linkages and Industrial Policy Implications—Lessons from the Automotive Industry in India and China* by Dr Giovanni Balcet, Torino University, Turin, Italy

Founding it on a survey of the theoretical literature on joint ventures, this presentation brought out the differences in the evolution of joint-ventures in the Indian and Chinese automotive industries. Emphasizing the crucial role of JVs in technological catching up, a comparison was made of the automotive industries in the two countries with respect to size of market; rate of growth; infrastructure, financing; firm structure; ownership; exports; and the policy environment. Through a number of case studies, their different patterns

of evolution and future prospects of the Chinese and Indian automotive industries were discussed.

**Session 3: Sub-national Industrial Policies in India and China, chaired by Dr Jabin Jacob, Institute of Peace and Conflict Studies, New Delhi**

- *Going Global: State and New Industrialisation in Gujarat* by Dr Kesab Das, Gujarat Institute of Development Research, Ahmedabad

This paper pointed out that countries like China, India, Brazil and South Africa, which have relatively higher concentration of internationalized firms than their poorer counterparts, have been recording impressive growth performance in recent years. It observed that within manufacturing, regional bases exporting high technology-intensive products have greater development and growth performance because of strong knowledge spillover impacts and high productivity growth. This implies that, sub-national units (or, states, as in India) which are on the path of dynamic industrial specialization by shifting more to technology-driven sectors are likely to have greater scope for participation in global markets than those continue to be dominated by traditional low technology sectors. In that background, the paper reviewed the Gujarat experience of internationalizing its industry with reference to its state government policy.

- *Industrial Development Policies in Southern China: Government Efforts and Industrial Performance* by Dr Elisa Barbieri, University of Ferrara, Italy

This presentation was a detailed case study of the development of Chinese industry with special reference to the Guangdong region experience of development. It was pointed out that the industrial development of the region was strongly guided by the Guangdong Government's strategic plans and set of industrial policy measures like promoting industrial clusters, encouraging relocation processes, etc. aimed at innovation, quality, and sustainability.

**Session 4: Examining Local and Global Dimensions of Firm Strategies, chaired by Dr Loraine Kennedy, Centre for South Asian Studies, Paris**

- *Spatial Organisation of Production: Contesting Themes and Conflicting Evidence from Industrial Clusters in India* by Dr Satyaki Roy, ISID

This paper contextualized the empirical evidence drawn from several clusters in India in reference to the changing perspectives in spatial organization of production. The principal hypothesis of this paper is that, it is the heterogeneity of the clusters that captures 'space' as an analytical category and broad generalizations often do not address the spatial dimensions. Neither also is it true, at least for developing countries such as India, that small enterprise clusters always reflect the post-Fordist dimension of change in the production organization. In the context of global production chain this paper further argued that participation in such value chains might lead to contradictory outcomes in

production organization giving rise to increased rift between the 'global' and the 'local'.

- *Offshoring to China and India: Case Studies of Italian Medium-sized Firms* by Dr Giuseppe Tattara, University of Venice, Italy

This paper was based on a survey conducted in 2009 of firms in China and India controlled by Italian parent companies, and discussions with officials for the reasons underlying the decision to produce abroad, and the character of the governance of new networks that were created in relation to the parent companies, to foreign suppliers, and to the consumer market. The paper explains the prospects and problems faced by Italian firms that established production facilities through direct investment in China and India, which offer low costs of production and favourable prospects for selling.

- *Center-for-global or Local-for-global? An examination of R&D Centers of IT MNEs in India* by Dr P. Vigneswara Ilavarasan, Indian Institute of Technology, Delhi.

This paper, based on secondary data and telephone interviews, explored the nature and impact of research and development (R&D) centers of information technology (IT) multinational enterprises (MNEs) in India. The study tried to understand where these MNEs are from, what kind of technological domains they operate, where and why do they locate in particular cities in India. It also looked at whether the R&D centers are executing as arms of the global head quarters or equal partners in technological collaborations and attempted to capture of extent of spill over. Dr Ilavarasan findings show that USA based MNEs have established more R&D centers than other countries. More than half of the R&D centers are operating in the software services followed by a very small number of telecommunications. Bangalore hosts half of the R&D centers followed by Pune. R & D centres are equally divided between the centers-for-global and local-for-global groups.

**Session 5: Articulating FDI and Industrial Policies at the Local Levels, chaired by Prof. Surajit Mazumdar**

- *Political Economy of Regional Development in India* by Dr Atul Sood, Jawaharlal Nehru University

This presentation attempted to answer some questions regarding the Indian state's spatial development and regional policy in these times of globalization. Is there such a policy? If yes, what is the nature of this policy, its goals and the instruments chosen to achieve this goal? What does this policy mean for provinces of India? These questions were examined with reference to the complete change in the ethos of governance and scheme implementation, a change due to economic reforms; the official decline of the planning process; the dynamics of the market; and greater resistance from states due to central coalitions.

- *Location of FDI in India: A Discussion of Some Less Explored Aspects* by Prof. K.S. Chalapati Rao and Prof. M.R. Murthy, ISID

This paper pointed out that within the study of factors influencing Multinational Corporations' (MNCs) choice of locations to invest in, a growing importance is now being attached to location of FDI within specific countries – developed as well as developing ones. In India too, a few studies have focused on the distribution of FDI in different states for its implications for regional development. These studies, however, had limited focus as they were generally based on aggregate FDI and that too of approvals only. Because of the substantial gap between FDI approvals and actual inflows, these had their own limitations. Even those attempted at some level of disaggregation, do not take note of specific characteristics of FDI flows. Specifically, the issues of modes of entry, nature of the foreign investor, sector of investment, extent of involvement of the foreign investor, characteristics of local partner if any, etc. had not received due attention in spite of the clear possibility of their influencing location choices. This severely limits the relevance of such studies. There is thus a case for taking a closer look at the official data to gain better insights into the state-wise distribution of FDI, especially in large manufacturing ventures. This paper brought out a disaggregated analysis taking into account India's experience with FDI inflows during the recent past.

- *Local Industrial Policy in Automobile Industry in China* by Dr Xavier Richet, University of Paris, France

This presentation brought out the significance of industrial policy in the development of the car industry in China and its spatial distribution, institutional and market environment, cooperation and competition issues. A detailed review was undertaken of the three local policy models: Shanghai: Local Developmental State; Beijing, Guangzhou: Laissez-Faire Local State; and Changchun and Wuhan: Firm-dominated Local State.

#### **Session 6: Industrial Districts and Regional Policies, chaired by Dr Jean-François Huchet**

- *Local Labour Markets in Global Worlds of Production: A Comparative Study of Two Textile Regions in India and China* by Dr M. Vijayabaskar, Madras Institute of Development Studies, Chennai.

This paper was based on fieldwork of two dynamic textile producing regions in India and China -- the Tiruppur-Coimbatore region in Tamil Nadu, southern India and the Shandong province in north western China. The paper argued that the primary route through which processes of globalization influence low income regions is through the labour market. It said that differences in basic educational levels of workers between the two regions influence the extent to which workers can be trained subsequently on the job. In the case of textiles and clothing production in the Tiruppur region, there has been an institutional lock-in into 'low-road' labour practices that prevent firms from investing in labour market upgrading. The higher levels of schooling among workers in Shandong on the other hand allows for the possibility of further training to adapt to changing requirements.

- *Global Production Typologies, Economic Organisation and Upgrading: Some Evidence from India* by Dr Sumangala Damodaran, Ambedkar University, Delhi

This paper argued that the Indian industry, in several labour-intensive sectors, has had a shorter or longer history of incorporation into Global Value Chains (GVCs). In different industries, the extent and the level at which such incorporation has taken place varies, but whatever the position occupied in GVCs for those specific products, a substantial part of such production takes place in the unorganised or informal sector of the economy. The paper examined three typologies of labour-intensive global production networks in India where Indian micro and small enterprises show a significant presence and look at whether there have been any structural changes in these sectors with respect to levels of international specialization, industrial upgradation and upgradation of employment conditions. These three typologies are based on the networks of production organisation, represented respectively by automobiles as the first type, garments, gems and jewellery and leather as the second and handicrafts as the third.

- *Labour Demand Estimation Across the 16 States of Indian Industrial Sector during 1991–92 To 2007–08* by Dr S. Padmavathy, KPR School of Business, Coimbatore.

This study estimated labour demand functions for analyzing the factors determining employment growth. It focused on the issue of employment elasticity with respect of real wages and output in short-run and long-run. The study was based on the ASI data for the factory sector of sixteen States in India for period 1991–92 to 2007–08.

#### **Round Table and Wrap-up Session, chaired by Prof. T.S. Papola**

Prof. T.S. Papola, ISID, as Chairperson of the Round Table and Wrap-up Session mentioned that during the two days a large variety of subjects by way of presentations and discussion were covered in one way or other they all connected with the issue of policies for sub-national development, which was the theme of the seminar. Prof. Papola said that while evaluating the impact of such policies on the industrial development one has also to understand what kind of scope is available at the sub-national level. He wished that there is some kind of comparative picture between India and China as to what kind of space for regional policies at sub-national government level is available and what kind of policies are more effective so that a clearer assessment could be made.

Prof. Sunanda Sen, ISID, highlighted the crucial role of the state in China. She said China tried to push the sun rise industries and move gradually out of the sun set industries through its intermediate technology, which is consistent with her labour capital ratio, and also it is kept within the national boundaries. Prof. Sen also mentioned that the credit facilities provided to the industries in China were not based on market principles. Rather it was a system of guided finance where credit provided by the banks was



Prof. T.S. Papola chairing the Round Table and Wrap-up Session

disbursed by following certain guide books which came from the state. She also pointed out that state in China paid lot of attention to infrastructure and energy; clear policy on labour; giving special powers to diaspora which have promoted industrialization in China, even though there are some disparities across region.

Prof. R. Nagaraj, Indira Gandhi Institute of Development Research, Mumbai took up the issue of regional disparities in the post-liberalisation period during which India's industrial policies changed substantially including the abolition of price equalization policy. Based on state domestic product in manufacturing of 17 major states, which accounted for over 90% of manufacturing output, he noted that the coefficient of variation remained roughly the same during 1971 to 2006 thus indicating that there was little change in interstate disparities. Even going by the ranking of the states based on per capita net state domestic product in manufacturing, one finds that the bottom and the top have remained the same except for Bengal and Kerala which have moved down quite significantly. He felt that State may not be a right measure and there could have been noticeable changes at the level of specific industries and districts/clusters. Prof. Nagaraj also mentioned that the promotion agencies like state financial corporations, state industrial development corporations, state infrastructure development corporations, which made specific efforts to promote regional industrialization have become defunct after 1991. It was only the industrially advanced states like Tamil Nadu, Gujarat and Maharashtra which sustained such efforts.

Prof. Patha Mukhopadhyay, Centre for Policy Research, Delhi, pointed out that the state influence on industrialization depends at two different levels of policies – generic policies and specific policies. Generic policies, like those relating to labour, environment, tax collection etc, remain relatively unchanged for long durations but the extent to which they are enforced is something over which the state has discretion. The second set of specific policies relates to location, subsidies, land, and manner in which one treat the domestic and foreign firms etc. Prof. Mukhopadhyay also

talked about the differences of operation of these policies at the sub-national level.

The seminar ended with Prof. Loraine Kennedy's vote of thanks.

## TWO-DAY SENSITIZATION PROGRAMME FOR ZONAL WATER PARTNERS ON CLIMATE INDUCED FLOOD AND DROUGHT MITIGATION AND MANAGEMENT

21–22 December 2010

Geo-Climatic conditions of India make it prone to various natural disasters. India faces both floods and droughts due to excess and deficit water in different parts of the country or sometimes same parts in different periods. In order to cope-up with these challenges, there is an urgent need for capacity building of community by sensitizing them on climate induced flood and drought disasters for taking preparedness and mitigation measures.

To discuss these issues, India Water Partnership in collaboration with ISID and National Institute for Disaster Management (NIDM), Ministry of Home Affairs, Government of India, New Delhi organised a Two-day Sensitization Programme for Zonal Water Partners on Climate induced Flood and Drought Mitigation and Management on 21–22 December 2010 at ISID Conference Room, New Delhi. Forty participants including eminent experts from NIDM; Tarun Bharat Sangh, Rajasthan; Karnataka State Natural Disaster Management Centre (KSNDMC), Bangalore; Madras Institute of Development Studies (MIDS), Chennai; Central Water Commission, Government of India; and Coordinators/Representatives of Zonal Water Partners from all the zones participated and presented their views. Twelve thought-provoking presentations were made during this two-day sensitization programme. Prof. S.K. Goyal, Vice-Chairman, ISID was the Chairperson for this programme. Dr Rajender Singh, & Tarun Bharat Sangh gave the Inaugural Address; Dr Veena Khanduri, Adviser, IWP talked about Objective of the workshop; and Shri P.G. Dhar Chakrabarti, IAS, Executive Director, NIDM delivered the Keynote Address on Disaster Management and Paradigm Shift.



Shri P.G. Dhar Chakrabarti, Executive Director, NIDM delivering the Keynote Address

## COMPLETED

- *Quality in School Education: Accreditation Standards for MCD Schools for Quality School Governance*—funded by Quality Council of India (QCI), Department of Industrial Development and Policy, Ministry of Commerce & Industry, Government of India.

## ONGOING

- Under the Research Programme on *Structural Changes in Industry and Employment in the Indian Economy: Macroeconomic Implications of Emerging Pattern*, funded by ICSSR, the following draft papers/reports prepared during this period:
  - *Growth and Structural Changes in Output in India since Independence: A Study Report*, Surajit Mazumdar
  - *Structural Changes in Indian Economy: Implications of Subcontracting for Small Enterprises*, Jesim Pais & Partha Pratim Sahu
  - *Structural Changes in India's Foreign Trade*, T.P. Bhat
  - *Import Intensity Of Indian Exports*, Mahua Paul
  - *Inter-State Variations in Industrial Growth and Structure*, T.S. Papola, Nitu Maurya & Narendra Jena
  - *Industry and Services in Growth and Structural Change in India: Some Unexplored Features*, Surajit Mazumdar
- *Determinants and Impact of FDI in the Creation and Diffusion of Knowledge in the Automobile Industry: A Study on Clusters in Chennai, Bangalore and National Capital Region*—Project sponsored by Technology Information, Forecasting and Assessment Council, Department of Science and Technology, GOI. The field survey of automobile and component manufacturers located in Chennai and Bangalore has been completed as a part of the study and the interim report has been submitted. Satyaki Roy is Principal Investigator.
- *Sustainable Development: Emerging Issues in India's Mineral Sector*—field study for the project has been initiated. Visits were made to a few selected mines in Jharkhand and Orissa where extensive discussions and interviews were held with the mining executives, local community representative and government officials. Further visits are planned to Goa and Karnataka in the coming months. The project is funded by Planning Commission. Nilmadhab Mohanty is the Project Director.
- *Employment Implications of Current Financial Crisis: Challenges, Threats and Coping Strategies in India*—The study, commissioned by the South Asian Network of Economic Research Institutes (SANEI). Partha Pratim Sahu is Principle Researcher.
- *Employment Challenges in North-Eastern States of India: Role and Potential of the Unorganised Manufacturing Sector*—The study is supported by the V.V. Giri National Labour Institute, Noida. Partha Pratim Sahu is Principle Researcher.

## WORKING PAPERS

**WP2010/06: Managing Finance in Emerging Economies: The Case of India, Sunanda Sen, June 2010**

India has been experiencing rising inflows of overseas capital since the de-regulation of its financial sector. Often looked up as a 'success story' among other Emerging Economies, the country has been subject to pitfalls and trilemmas, which deserve attention. Officially recognized by the Governors of RBI that there was the "dirty face" of trinity and also that volatility in the market was caused by speculative capital in search of profit. Eulogizing policies to combat, Joseph Stiglitz, goes as, "...your policy-makers, particularly the Reserve Bank of India, are already doing a great job. I wish the US Federal Reserve displayed the same understanding of the role of regulation that the RBI has done, at least so far". A path-breaking move in USA with the recent Bill in US on regulation of Wall Street was passed by a majority in the Senate on 20<sup>th</sup> May 2010. We urge upon a need for similar actions in India and other Emerging economies where the recent moves for financial deregulation has rather been in the opposite direction.

**WP2010/07: The Arduous Route to Ensuring Some Minimum Public Shareholding in Listed Companies, K.S. Chalapati Rao, June 2010**

The main objective of corporates in listing their shares on the stock exchanges is to mobilise resources for investment directly from the investors. And for investors the liquidity provided by the stock market and the monitoring and disciplining mechanism that goes with listing are the main attractions. If most of the risk capital is held by the promoters not only the relevance of listing for resource mobilisation is reduced but it would also have adverse implications for the disciplinary function of the stock market and relevant provisions of company law. Due to various reasons, company promoters in India generally happen to hold/control a large proportion of the shareholding of listed companies. Official attempts to ensure a minimum public shareholding of 25 per cent have been long drawn. The latest attempt in this direction, announced on June 4, 2010, got stalled even before it could be acted upon. The present paper is an attempt to quantify the issue. In the process it throws up evidence to show that the problem is more severe than what is generally perceived and argues that a lot more needs to be done if the objectives of listing are to be met.

**WP2010/08: Aligning with both the Soviet Union and with the Pharmaceutical Transnationals: Dilemmas attendant on initiating Drug Production in India, Nasir Tyabji, August 2010**

The paper discusses the processes typically underlying the Government of India's technological choices in the mid 1950s, with a case study of the pharmaceutical industry. It argues that questions of the future development of

India's pharmaceutical industry was impacted by debates over placing it in the public or private sector, and over securing finance from the government's own budget, from transnational corporations or through Soviet aid. A close scrutiny of the trajectory of these debates reveals how the highly contested conception of the required scope of the production process finally emerged. This scope then determined why, when faced with an offer from the USSR for an integrated pharmaceutical complex also manufacturing dye intermediates; and from the German conglomerate Bayer for a standalone plant for chemical intermediates, both for drugs and dyes, the Government decided to accept the Bayer proposal.

**WP2010/09: Big Business and Economic Nationalism in India, Surajit Mazumdar, September 2010**

This paper emphasizes that economic nationalism in India both contributed to and coexists with the liberalization process initiated since 1991, which marked a decisive break in India's economic policy and pushed her towards increased integration with the global economy. It is however an inherently more exclusive form of economic nationalism in which capitalist priorities press down harder on an already constrained state. India's capitalists embraced rather than resisted the liberalization process, in contrast to their active support for a strategy of autonomous development at independence. The paper focuses on this shift in the outlook of the capitalist class represented by India's big business and tries to identify the reasons why it initially emerged and why it has gathered strength over time. The paper argues that this transformation reflected the development and evolution of Indian capitalism resulting from industrialization under the older autonomous strategy. Embracing liberalization became both possible and necessary for India's capitalists. The shift in the Indian state's policy thus was a response to the imperatives of national capitalist development, and the state has continued to assist Indian capital's growth and development in different ways. Indian capital has in fact gained increased leverage with the state and with its support has grown rapidly and stepped on to the global stage. In the process it has also changed – become less industrial, and more integrated into global production and financial systems. This growth and transformation of Indian big business in turn has reinforced its support for liberalization.

**WP2010/10: Indian Capitalism: A Case that Doesn't Fit? Surajit Mazumdar, November 2010**

This paper critically examines the 'Varieties of Capitalism' (VoC) School's approach to constructing typologies of capitalisms with reference to the specific case of Indian capitalism. It emphasizes that two factors related to its origin and initial emergence remain crucial for explaining many of the key and sometimes very specific outcomes being generated by the operation of Indian capitalism in its current stage. These factors are, firstly, that Indian capitalism was born out of the womb of capitalist colonialism, and secondly, that no thoroughgoing agrarian transformation

happened in India before or after independence. These have strongly conditioned capitalist development in India after independence, first under a more statist and protectionist regime till 1991 and subsequently under a more open and market-oriented policy in the era of globalization. The transformational impact of this development has been consequently limited, even in comparison to other late-industrializing Asian capitalisms, and insufficient to transcend these factors. Yet changes have happened over time, which lie behind the break state economic policy made with the past in 1991. The paper argues that such a combination of continuity and change poses some vexing problems for the characterization of contemporary Indian capitalism as a particular variety.

**WP2010/11: Operation of FDI Caps in India and Corporate Control Mechanisms, K.S. Chalapati Rao and Biswajit Dhar, December 2010**

While India has generally been following an open door FDI policy, a few areas are still subject to caps on FDI and/or specific government approval. One of the justifications for the same is the need to retain a degree of control over the operations of the investee companies in Indian hands. The government specified the methodology for calculating direct and indirect foreign equity in Indian companies in order to remove the ambiguities in calculating the extent of FDI in a company. Based on empirical evidence this paper argues that percentage of shares or number of directors do not necessarily represent the extent of control and more direct intervention would be required if the objectives of imposing the caps are to be achieved.

**WP2010/12: On the Sustainability of India's Non-Inclusive High Growth, Surajit Mazumdar, December 2010**

This paper examines the sustainability of the unprecedentedly high aggregate GDP growth witnessed in India from 2003–04 till the eruption of the global crisis. It argues that the post-liberalization highly non-inclusive and corporate-sector led growth trajectory in India suffers from a fundamental contradiction which renders it inherently unstable. This contradiction is between increasing dependence of growth on investment demand and the absence of a commensurate expansion of either output or employment in organized manufacturing, the main sector where rapid growth of capital formation tends to be relatively concentrated. This had already generated a collapse of investment and a manufacturing centered growth slowdown in the second half of the 1990s. The paper shows that high growth in India after 2003–04 did not eliminate this contradiction. Instead, the transmission effects generated by an exceptionally expansionary phase of the global economy enabled a sharp revival of investment which generated this growth, but in the process the contradiction started surfacing again. With the global crisis this phase came to an end, and in the post-crisis situation revival of that growth trajectory appears unlikely. In such circumstances even modest gains on the development front from via the positive effects of high growth on public revenues cannot be guaranteed.

## PAPERS / ARTICLES / DISCUSSION NOTES

- “Two Decades of Liberalization and the Indian Private Corporate Sector” by Surajit Mazumdar, in *Alternative Economic Survey, 2010: Two Decades of Neoliberalism*, New Delhi: Daanish Books.
- “Economic Growth Under Globalisation: Employment and Poverty Reduction in South Asian Countries” by T.S. Papola, in Moneer Alam and Armando Barrientos (eds.) *Demographics, Employment and Old Age Security: Emerging Trends and Challenges in South Asia*, New Delhi: Sage Publications, 2010.
- “Does the Current Crisis Remind us of the Great Depression?” by Sunanda Sen, in Oscar De Juan and Cristina Mercuzzo (eds.) *The Recession of 2008—Competing Explanations*, 2010.
- “Livelihoods in Agriculture—States, Policies and Prospects” by T.S. Papola, in Sankar Datta and Vipin Sharma (eds.) *State of India’s Livelihoods Report 2010: The 4P Reports*, An ACCESS Publication, New Delhi: Sage Publications, 2010.
- “Price Situation in India” by Surajit Mazumdar, a note contributed to the *Citizens Report on Governance and Development 2010* (also known as *Social Watch Report*), New Delhi: Sage Publications.
- A Review of “India’s Global Powerhouses: How They Are Taking on the World” by Nirmalaya Kumar, with Pradipta K. Mohapatra and Suj Chandrasekhar, by Surajit Mazumdar in *Enterprise and Society*, Vol. 11, No. 4, 2010.
- “Towards Increasing Productivity and Improving Post Harvest Management in Apple Cultivation in Himachal”, M.M.K. Sardana, a Discussion Note, <http://isid.org.in>.
- “Rural Non-Farm Sector in India: Role and Prospects in a Globalising Economy” by T.S. Papola, *Contributions to Indian Social Science*, A Quarterly Journal of The Indian Association of Social Science Institutions, Vol. 29, No. 2, April–July 2010.
- “India’s Quest for Nuclear Energy”, M.M.K. Sardana, a Discussion Note, <http://isid.org.in>.
- “Looking for Clarity” by K.S. Chalapati Rao, *Business Standard*, 12 August 2010.
- “Mines Malady” by Nilmadhab Mohanty, *The Telegraph*, Kolkata, 30 August 2010.
- “Ensuring Minimum Public Holding in Listed Companies” by K.S. Chalapati Rao, *Economic and Political Weekly*, Vol. 45, No. 36, 04 September 2010, Pp. 44–50.
- “Land Acquisition Issues”, M.M.K. Sardana, a Discussion Note, <http://isid.org.in>.
- “Gendered Aspects of Globalisation” by Sunanda Sen, *Levy Institute of Economics Working Paper No. 621*, September 2010.
- “The Melt-Down of the Global Economy: A Keynes-Minsky Episode?” by Sunanda Sen, *Levy Economics Institute Working Paper No. 623*, September 2010.

## UPDATE

- Prof. S.R. Hashim, *Director ISID* resigned *w.e.f.* 24 May 2010. His contributions to the institute were widely recognized and appreciated by all. Subsequently, Prof. M.R. Murthy took over as *Officiating Director*.
- Prof. T.S. Papola, *Honorary Professor*, selected as a Member of the Council on Micro, Small and Medium Enterprises (MSMEs) chaired by the Prime Minister of India
- Shri M.M.K. Sardana, former Secretary, Ministry of Corporate Affairs and former Member, MRTPC, joined ISID as *Visiting Fellow*.
- Prof. T.P. Bhat superannuated on 31 July 2010.
- Ms Seema Goyal Papola was promoted under the Career Advancement Scheme (CAS) as *Professor*.
- Shri Yash Pal Yadav, *Protocol Officer* at the Institute has also been designated as *Secretary* to Prof. S.K. Goyal, Vice Chairman, ISID.

- “Managing Finance in Emerging Economies: The Case of India” by Sunanda Sen, in *Alternative Economic Survey, 2010: Two Decades of Neoliberalism*, New Delhi: Daanish Books, and also in *Levy Economics Institute Working Paper No. 630*, October 2010.
- “Green Politics” by Nilmadhab Mohanty, *The Telegraph*, Kolkata, 20 December 2010.
- “China in the Global Economy” by Sunanda Sen, *Levy Institute of Economics Working Paper No. 642*, December 2010.
- “Neo-liberal ‘Reforms’, Corruption and Crony Capitalism” by Surajit Mazumdar, in *pragoti.org*, 24 December 2010 (Web article).
- “Advocacy and Regulatory Mechanism on Development Issues”, M.M.K. Sardana, a Discussion Note, <http://isid.org.in>.
- “The Big Indian Corporate Feast” by Surajit Mazumdar, *Governance Now* (Magazine), 01–15 January 2011.
- “Export-orientation of Foreign Manufacturing Affiliates in India: The Role of Host Country Market, Local Competition, Policy Regime and Import Competition” by Jaya Prakash Pradhan, Keshab Das and Mahua Paul. The paper has been submitted to the *Eurasian Journal of Business and Economics*.

## CONFERENCE PRESENTATIONS

- Surajit Mazumdar presented a paper titled “Indian capitalism: A Case that Doesn’t Fit?” part of a panel on Capitalisms and Institutional Change, at the *International Conference on Revival of Political Economy: Prospects for Sustainable Provision* organised by the Centre for Social Studies (CES) at the Department of Economics, University of Coimbra, Portugal, 21–23 October 2010.
- K.S. Chalapati Rao & M.R. Murthy presented a paper titled “Location of FDI in India: A Discussion of Some Less Explored Aspects” in the *International Seminar on*

*The Globalization of Production Models and Innovation in Emerging Economies: Comparative Research on Sub-National Industrial Policies* organised by ISID, CSH and CEFC, 19–20 November 2010.

- Satyaki Roy presented a paper on “Spatial Organization of Production: Contesting Themes and Conflicting Evidence from Industrial Clusters in India” in the International Seminar on *The Globalization of Production Models and Innovation in Emerging Economies: Comparative Research on Subnational Industrial Policies* organised by ISID, CSH and CEFC, 19–20 November 2010.
- Surajit Mazumdar presented a paper titled “On the Sustainability of India’s Non-Inclusive High Growth” at the 14<sup>th</sup> Annual Conference of the Indian Political Economy Association organised at and in collaboration with the A.N. Sinha Institute of Social Studies, Patna, 10–12 December 2010.
- Satyaki Roy presented a paper titled “High Non-wage Employment: Revisiting the ‘Paradox’ in Capitalist Development” in the 52<sup>nd</sup> Conference of Indian Society of Labour Economics, Karnataka University, Dharwad, 17–19 December 2010.

## LECTURES DELIVERED

- T.S. Papola participated in a Panel Discussion on *Right to Work: Carrying Forward the NCEUS Initiative* at India Habitat Centre, New Delhi, 08 May 2010.
- Sunanda Sen gave a seminar on “Managing Finance in Emerging Economies” at UN DESA, New York, June 2010.
- Sunanda Sen gave a talk on “Melt-down of Global Economy” at *Minsky Conference*, Levy Institute of Economics, June 2010.
- T.S. Papola participated in the National Seminar on *Employment in India* and made a presentation on “Labour in Globalising India,” IHD, Eastern Regional Centre, Ranchi, 04–05 July 2010.
- T.S. Papola participated and made a presentation on “Employment Challenge in India” at a seminar on *Employment and Unemployment in India* organised by IHD, Ranchi, 04–06 July 2010.
- Sunanda Sen gave a seminar on “Managing Finance in Emerging Markets” at IDSK, Kolkata, August 2010.
- Surajit Mazumdar delivered a lecture on “Some Features of Indian Growth in the Current Century” at the *Refresher Course in Economics* organised by the Academic Staff College, JNU, 05 August 2010.
- T.S. Papola delivered a lecture on “Labour Market and Industrial Relations in India: Recent Developments” to the visiting Japanese scholars from Nihon Fukushi University, Nagoya at South Asian University, JNU, 24 August 2010.
- T.P. Bhat was invited to attend the *Second Conference of Asia-US Business* held in Los Angeles, USA, 17–20 September 2010. He addressed the participants during discussions entitled: “Green technology and safeguarding environment in the global economy” and “Business opportunities in Indian telecommunication sector.”
- Nasir Tyabji delivered three lectures entitled “Corporation, Factory, and Production: The Social Analysis of Industrial Development”; “Corporate Law Reform in Independent India: Tackling the Managing Agencies and Family Business”; and “Protecting the Corporate Manufacturing Sector after Structural Reform: the Issues of Nestled Family Control.” at the ICSSR Sponsored *Training Programme on the Indian Corporate Sector* held at ISID, 27 September – 09 October 2010.
- Sunanda Sen delivered a lecture “Managing Finance in Emerging Economies: The Case of India” at the ICSSR Sponsored *Training Programme on the Indian Corporate Sector* held at ISID, 27 September – 09 October 2010.
- Satyaki Roy delivered a lecture on “Changing Vehicular Composition in India: Capacities and Constraints in Automobile Industry in the Context of FDI” in the ICSSR sponsored *Training Programme on the Indian Corporate Sector* held at ISID, 27 September – 09 October 2010.
- K.S. Chalapati Rao delivered two lectures on “Legislations in Operation: Some Indian Experiences,” and “India’s Recent FDI Inflows: Some Insights” at the ICSSR Sponsored *Training Programme on the Indian Corporate Sector* held at ISID, 27 September – 09 October 2010.
- Surajit Mazumdar delivered three lectures entitled “The Corporate Sector and Indian Economic Development: Some Issues in the Contemporary Context,” “The Corporate Sector in India: An Introduction,” and “The Corporation: Ownership, Control and Concentration” at the ICSSR Sponsored *Training Programme on the Indian Corporate Sector* held at ISID, 27 September – 09 October 2010.
- K.V.K. Ranganathan made a presentation on “Introduction to ISID Library & Databases” to the participants of the ICSSR Sponsored *Training Programme on the Indian Corporate Sector* held at ISID, 27 September – 09 October 2010.
- P.L. Beena delivered a lecture on “Trends and Motives of M&As in Indian Corporate Sector” at the ICSSR Sponsored *Training Programme on the Indian Corporate Sector* held at the ISID, 27 September – 09 October 2010.
- T.S. Papola participated and delivered Keynote Address in *National Conference on MGNREGA* at Almora Campus of Kumaon University, Almora, 03–04 November 2010.
- Veena Khanduri participated in the 16<sup>th</sup> Regional Council Meeting of GWP-South Asia, at Karachi, Pakistan and made a presentation on “Area Water Partnership in River Ramial and Indrajeet Sub-Basin in Dhenkanal District, Orissa (India) promoted by India Water Partnership and Arun Institute of Rural Affairs (AIRA), Orissa,” 12–13 November 2010.
- Surajit Mazumdar made a presentation on “Development and Economic Systems” to participants at the *Women’s Studies Research Course* conducted by the Centre for Women’s Development Studies (CWDS), New Delhi, 16 November 2010.

- T.P. Bhat delivered a lecture on “Doha Round Multilateral Trade Negotiations and Prospects of Successful Conclusions” at the University of Petroleum and Energy Studies, Dehradun, 17 November 2010.
- T.S. Papola made a presentation on “Agricultural Livelihoods: The Small Farmers Challenge,” at *Livelihoods India Conference* organised by Access Development Services, New Delhi, 17 November 2010.
- Surajit Mazumdar made a presentation on “Current Account Balances, Investment and Growth: The Odd Case of India” to participants at the *Capacity Building Programme on Global and Regional Economic Cooperation Issues* under the Economic Research Institute for ASEAN and East Asia conducted by the RIS, New Delhi, 07 December 2010.
- T.S. Papola participated as a Panelist in the discussion on “Inclusive Policy” and chaired a session in the *92<sup>nd</sup> Annual Conference of the Indian Economic Association*, Punjab University, Chandigarh, 27–29 December 2010.

## PARTICIPATION

- T.S. Papola participated and chaired a session in a Workshop on *Non-Farm Sector in India*, Institute of Economic Growth, 14 July 2010.
- Veena Khanduri participated in the three-day *South Asian Regional Consultation on Integrated Drought Management (RIDM) Programme* organised by GWP-SAS Regional Office, Colombo, 24–26 July 2010.
- Veena Khanduri participated in the GWP-SAS/Water Integrity Network (WIN) Dialogue and Training Workshop organised by GWP-SAS and WIN, at Colombo, 27–29 July 2010.
- T.S. Papola participated as a Discussant in the Seminar on *Labour and Employment Issues in South Asia*, a Report in preparation by the World Bank, at IHD, 30 July 2010.
- T.S. Papola participated in a Consultation on *The Challenge of Negotiating India’s Rural Transformation: Evolving Strategies for IRMA’s Response* at IRMA, Anand, 10–11 August 2010.
- Veena Khanduri represented *The Annual Consulting Partners’ Meeting* held at Stockholm, Sweden, 03–04 September 2010. She also acted as Rapporteur for *Workshop 3: Urbanization, Migration and Water Security*. The theme of the meeting was “Exploring the Role of Water Security in Regional and National Economic Development.”
- T.S. Papola chaired the *UGC Review Committee for Special Assistance Programme (SAP)*, Department of Economics, Uttkal University, Bhubaneshwar, 13–14 September 2010.
- Surajit Mazumdar chaired a session on “Inequality and Growth Strategy” at the National Seminar on *Public Policy and Delivery* organised by the Department of Economics, Sri Venkateswara College, New Delhi, 21 September 2010.
- T.S. Papola chaired a seminar on “Informal Sector? Towards More and Better Jobs in Developing Countries” by Dr

Johannes Jutting, OECD Development Centre, Paris, at Institute for Human Development, 23 September 2010.

- Veena Khanduri participated in a Consultation meeting with Policy Makers on Review of National Water Policy organised by Ministry of Water Resources, Government of India, at India Habitat Centre, New Delhi, 26 October 2010.
- T.S. Papola participated and chaired a session in the UN-ESCAP meeting on *Social Protection in Asia*, Bangkok, 27–29 October 2010.
- India Water Partnership convened its *18<sup>th</sup> Board of Governors meeting* and *8<sup>th</sup> Annual General Body meeting* at its host institution, the Institute for Studies in Industrial Development, New Delhi, 30 October 2010.
- K.S. Chalapati Rao was the Principal Coordinator of the *Training Programme on the Indian Corporate Sector* organised by and held at ISID, 27 September – 09 October 2010.
- K.V.K. Ranganathan was the Coordinator of the *Training Programme on the Indian Corporate Sector* organised by and held at ISID, 27 September – 09 October 2010.
- T.S. Papola, as Project Advisor, participated in and chaired the Seminar on Report of a GTZ supported “Ten Years of Uttarakhand” at Doon University, Dehradun, 28 September 2010.
- India Water Partnership in collaboration with its New Delhi based partner Water Community India put up a stall in the India International Trade Fair (IITF) at Pragati Maidan, New Delhi, in the pavilion of Ministry of Water Resources, 14–27 November 2010.
- Veena Khanduri participated in the *Workshop on Mobilizing Knowledge for Development in India and South Asia* jointly organised by Institute of Development Studies, UK and PRIA, Delhi, 18–19 November 2010.
- K.V.K. Ranganathan Co-ordinated the International Seminar on *The Globalisation of Production Models and Innovation in Emerging Economies: Comparative Research on Sub-National Industrial Policies* organised by ISID, CSH and CEFC, 19–20 November 2010.
- Surajit Mazumdar chaired a session of the International Seminar on *The Globalisation of Production Models and Innovation in Emerging Economies: Comparative Research on Sub-National Industrial Policies* organised by ISID, CSH and CEFC, 19–20 November 2010.
- T.S. Papola participated and chaired a session in the International Seminar on *The Globalisation of Production Models and Innovation in Emerging Economies: Comparative Research on Sub-National Industrial Policies* organised by ISID, CSH and CEFC, 19–20 November 2010.
- P.L. Beena attended the International Seminar on *The Globalisation of Production Models and Innovation in Emerging Economies: Comparative Research on Sub-National Industrial Policies* organised by ISID, CSH and CEFC, 19–20 November 2010.

- K.S. Chalapati Rao attended the Interactive Session with Mr. Dominique Strauss-Kahn, Managing Director of the International Monetary Fund, who spoke on “India’s Evolving Role in the Global Economy” organised by FICCI, New Delhi, 02 December 2010.
- T.S. Papola chaired the *Global Clusters Experience-Sharing Workshop* organised by International Labour Organization at India Habitat Centre, New Delhi, 14 December 2010.
- Satyaki Roy acted as Rapporteur in *Global Clusters Experience-Sharing Workshop* organised by International Labour Organization, India Habitat Centre, New Delhi, 14 December 2010.
- P.L. Beena attended the *Second Research Conference on Empirical Issues in International Trade and Finance*, at the Indian Institute of Foreign Trade, 16–17 December 2010.
- P.L. Beena attended the *6<sup>th</sup> Annual Conference on Economic Growth and Development*, at the Indian Statistical Institute, 16–18 December 2010.
- T.S. Papola participated and chaired a session in the *52<sup>nd</sup> Annual Conference of the Indian Society of Labour Economics*, Karnataka University, Dharward, 17–19 December 2010.
- Veena Khanduri participated in a one-day workshop organised by IWP partner, Development Alternatives (DA) at TARA Nirman Kendra, Ghitorni, New Delhi, in association with IWP, 23 December 2010.

### VISIT OF FOREIGN SCHOLARS

- Dr Sushanta Mallick, Reader in International Finance, School of Business and Management, Queen Mary, University of London delivered a Lecture on “Pricing-to-Market with Trade Liberalization: The Role of Market Heterogeneity and Product Differentiation in India’s Exports,” 23 July 2010.



*Dr Sushanta Mallick, University of London, delivering the lecture*

- Four scholars from Japan (i) Dr Tetsuji Kawamura, Dean, Graduate School of Economics and Professor, Faculty of Economics, Hosei University, Tokyo; (ii) Dr Mariko Kato, Research Administrator, Institute for Sustainability Research and Education, Hosei University, Tokyo; (iii) Prof. Koji Serita, Faculty of Economics, Risho University, Tokyo;

and (iv) Dr Heejin Kim, Graduate School of Economics, The University of Tokyo, Tokyo interacted with Faculty Members of the Institute, 17 September 2010.

### RESEARCH INTERNSHIP PROGRAMME

Ms. Kirti Gupta from Jawaharlal Nehru University, New Delhi, did her summer internship at the ISID from 18 May – 22 July 2010. She worked under the supervision of K.V.K. Ranganathan and produced a project report on “An Analysis of New and On-going Project Investments—Based on CapEx Database.”

### FACILITATING RESEARCH AND TRAINING

#### INTER-INSTITUTIONAL ACTIVITY



*Students of Certificate Course using the editing facilities of ISID media centre*

At the request of the Principal, Bharati College (Delhi University), ISID extended the support of its media production facilities and infrastructure to the students of a six-month Certificate Course in ‘Journalism and Mass Communication’. This course was approved by the University Grants Commission under the Career Oriented Courses and was offered by Bharathi College this year, to under-graduate and graduate students of Delhi University. Prof. Seema Goyal Papola taught a course in *Video Location Production and Electronic New Gathering*, as guest faculty. Several classes and practical sessions were held at ISID.

#### RENOVATION OF FACILITIES

There is a growing demand for the use of ISID facilities and infrastructure, not only by ISID itself, but by several other institutions and organisations for holding seminars, conferences and training programmes. After three years renovations of the Academic Block, including the guest house and conference facilities was undertaken and completed.

## ISID RESEARCH REFERENCE CD RRCd VERSION 5.0



Computer-based reference services have now become a basic requirement for the academic community. The journals published in India and other developing countries are not, however, adequately covered in the international packages. The Corporate Studies Group (CSG—precursor to ISID) had, way back in the early eighties, made a beginning to bridge this gap under the guidance of Prof. S.K. Goyal. The group created two databases by indexing the contents of major Indian Social

Science journals and articles & reports published in select Indian newspapers primarily to meet its own research needs.

Due to their proven utility for researchers, teachers, students and other academics, these databases were made available to the academic community not only through the Institute's website, but also as a CD-ROM called ISID Research Reference CD (RRCd). The RRCd was specifically designed and created for quick reference to the index without requiring access to the internet.

ISID has now come out with version 5.0 of the RRCd. This not only includes index of articles, discussion notes, editorials and reports published in the 175 social science journals and clippings from 15 English language newspapers since 1999, but also contains full text of select policy documents, union budget speeches, review chapters of the economic survey since 1989–90, some basic macroeconomic data and website addresses of select institutions and organisations.

Demonstration of the RRCd was given at a stall put up by ISID during the 93<sup>rd</sup> Annual Conference of the Indian Economic Association held during 27–29 December 2010, at Panjab University, Chandigarh. The response to the RRCd was very encouraging.

## CAMPUS NEWS

### DIWALI CELEBRATION

After unfurling the National Flag to mark the *Independence Day 2010*, an event attended by staff of all the four institutions presently located within the ISID Campus, it was felt that there should be more cultural programmes organised jointly by IBM-IRL, Global Development Network (GDN), Public Health Foundation of India (PHFI) and ISID.

To pursue this idea further, an organising committee was constituted, comprising members from all these institutions. It was unanimously decided to have Diwali Celebrations in the form of a *Mela* sponsored and organised jointly by all four



*Family members of all campus institutions playing Dhandia during Diwali celebrations*

organisations. This Diwali Celebration was held on Saturday, 30<sup>th</sup> of October 2010 at the ISID Campus.

Staff members and their families enthusiastically took part in cultural events, competitions and games. Several NGOs and Charitable organisations were also invited to set up their stalls free of charge. The event was very well attended and a huge success.

### ECO-FRIENDLY CAMPUS

An ECO-AUDIT was performed by students associated with the Indian Youth Climate Network (IYCN) at ISID. The IYCN is a network of young people in 18 states uniting Indian youth and youth oriented organisations who are concerned about climate change & environment issues.

The Eco-Audit Programme of IYCN provides a new perspective on environmental education. Senior school and college age student groups are trained to conduct environmental audits of offices to assess their practices and policies and calculate the office's impact on the environment. A report is then presented with recommendations on ways to reduce resource consumption, thereby reducing the company's carbon footprint and its operating costs.



*IYCN Eco-Audit team*

ISID got a high score rating (70/100) based on the assessment. The Eco-Audit team was impressed by ISID's efforts towards being an eco-friendly building. The design as well as architecture of the building is notable as its core structure and design is based on energy efficient concerns.

## OBSERVATIONS

### GANDHI: A TIMELESS LIVING LEGEND

*Abid Hussain*

Revered as the father of the nation, Mahatma Gandhi steered India to independence. His immense contribution to the country not just in terms of struggle for freedom, but his ideologies and thoughts, too, changed the map of our country. He made India's independence movement an epoch-making event in the history of the world, in general, and that of the Indian subcontinent, in particular.

#### Transforming Politics

Once Gandhi entered India's political life he changed the state of politics and its framework. He radically transformed the political goal of India's independence to 'Poorna Swaraj' (complete independence). He held that independence would not be achieved by the advocacy of lawyers alone. He knew that well-bred and well-educated men could be good advocates of freedom, but what they cannot achieve individually, they could collaborate to achieve collectively, that is, through a mass movement. Without people's support, their efforts, however sincere and well conceived, would remain ineffective.

Independence, Gandhi held, could not be achieved by making petitions to government or by designing clever parliamentary manoeuvres. It is the people living in villages who are the real source of strength and change. Once roused and organized, they could advance the cause of independence. He dragged the politicians out of their closed door parleys and secluded chambers into streets and farms where the common man suffered the slings and arrows of misfortune. He wanted India to be seen through the eyes of the common man and declared that those who wish to influence the people must first participate in their struggle. He wanted political workers and activists to conceive with their minds what the people perceived in their hearts. He told Nehru, "You have seen the majesty of Himalayas, serenity of the Ganges and all the beauties that God has bestowed on this country, now go to villages and see the misery and poverty of people of India and think as to how you could bring them out of the drudgery of every day existence and make them determined to transform their lives."

Gandhi had captured something fundamental about the power of the people in politics. He gave a new direction of fearlessness to people and a stake in the Indian political system, which bewildered the rulers.

In defining national politics Gandhi became the agent for promoting high values and gave a moral dimension to politics. His convictions were rooted in his firm faith in the moral power of the people expressed in the form of non-violent action. Once unleashed, it could not be suppressed by any force of power expressed through the barrel of a gun.

Those who wished to influence people, he said, should mix with the people and share their distress. For, there can be no true understanding of people's concern without knowing their distress. Thus, he turned the legal pangs of India's struggle into a saga of the human story on a moral dimension.

Mass action through peaceful means became the basis of a popular movement which strengthened Indian people to withstand government repression and achieve independence, through sacrifice for the common cause. He made people action oriented. It is *Karma Yoga* which was more important than mere philosophical conceptualization of ideas or recital of religious hymns or national songs. Indian politics for decades had remained contended with articulation of ideas through writings, oratorical rhetoric and passing of resolutions. Gandhi evolved a new technique of Satyagraha—that is, 'truth power'—to resist and defy the power of a foreign ruler through peaceful non-submission to their unjust laws.

Gandhi, despite several disappointments and setbacks, never gave up his conviction that the destiny of India would find its meaning in a politics based on morality and truth. Satyagraha is the mantra which he gave to redefine people's movement. But it was not populism that he was supporting or legitimizing.

#### Non-cooperation and Civil Disobedience Movements

Gandhi's determination to achieve Poorna Swaraj was firm and unshakable. He could not bear to see the people bowing down to the repressive laws of the regime. The British had made India more helpless than she ever was. Semi-starved masses of India were slowly sinking into lifelessness. Gandhi strongly felt that the system of government, which through its laws was condemning people to an indescribable humiliation, called upon him to lead an agitation against it. Holding such a belief, he considered it to be a sin to cooperate with the Raj. To him non-cooperation with evil was as much a duty as his cooperation with the good. The cherished goal of independence was to be attained through Satyagraha. Non-violent resistance would be the means to achieve the objective. Violence was not acceptable to him. He would not like means tainted with blood to be the way to achieve independence. He held if redress of grievance is only possible through means of ill will or slaughter of English men, he would do without swaraj, without redress.

Non-violence he said is "the first article of my faith, it is also the last article of my creed." Non-violence cannot permit violence even against the evil doers for it would lead to multiple evils. He held that Satyagraha required complete abstention from violence. Non-violence and Satyagraha do not come easily. One

has to be more courageous to be non-violent than to be a man with a rifle in his hand.

Gandhi launched several programmes of Satyagraha to awaken and strengthen his fellowmen to rise up and break those social and state laws which were unjust and cruel. The spinning of Khadi, grinding of grains, and cleaning of lavatories, along with breaking of laws and non-cooperation with the government, were all parts of his Satyagraha movement. But, he was not encouraging populism by asking people to organize protest marches in any indisciplined manner. He knew it was wrong to believe that people can do no wrong. Break a law but be not lawless, he believed. He could not allow misguided freedom to prevail. When he withdrew the civil disobedience movement heading towards independence he said, "To me Ahimsa was more important. How could I be a party to victory drenched in blood." The civil disobedience movement enshrined in the doctrine of Satyagraha did not mean criminal breach of law. Gandhi said, "It is civil in the sense that it is not criminal." The law breakers of unjust laws should be ready to quietly suffer the penalty for their breach. The law breakers withdrew their cooperation from the state by disobeying those laws whose breach did not constitute moral turpitude. Here lay the beauty and efficacy of Satyagraha which Gandhi propounded. The idea of Satyagraha did not come easily to him. He experienced it in person and remoulded his life to become an example for others.

### Unconventional Programmes of Action

Gandhi, by unleashing a series of unconventional programmes of non-violent actions, became the undisputed supreme leader of India. His unorthodox plans of action had bewildered and perplexed his most trusted lieutenants, yet they were amazed at the way he shaped events and had masses drawn to him to execute his ideas. There was no mismatch between him and the people. However, there was often a measure of mix in the programmes he formulated, some of which he withdrew half-way, which puzzled his most loyal disciples. But he had his ways to counter and balance positions. There were no finished products for him. He would work on his ideas in his heart and mind first and then through slow maturity translate them into action. He lived his ideas and chose to become his truth. It was a journey of self discovery and also unending experiments with truth. Gandhi had an uncanny conviction in his inner voice which would guide him to conceive and launch specific activities. Civil disobedience, breaking of salt laws and the Quit India movement all fall in this class. Vallabhai Patel was critical of his idea of the salt march. Jawaharlal was mystified and C.R. considered it a funny thing: "all along Gandhi was saying if we made Khadi we will win Swaraj, now he says we should make salt also." As a part of the programme of non-violence Gandhi wanted people to withhold payments of taxes. Patel suggested that the people be asked not to pay land revenue but Gandhi did not agree with Patel saying that it would lead to a clash sliding into violence and also that peasants would invite ruin if they linked non payment of revenue to swaraj. Gandhi instead suggested breaking of

salt laws which would not cause peasants to lose their land or cattle. Those who had initially opposed Gandhi on this were all amazed at its success. Similarly, when his most trusted disciples, Jawaharlal and others, told Gandhi that most members of the Congress Working Committee did not seem to be in agreement with him on launching of the Quit India movement, Gandhi told them that the Congress may go its way but the sands of India would throw up a movement larger than the Congress to support the Quit India movement. And so it happened. It was one of the glories of Gandhi that he could achieve what appeared to most to be an impossible task. Without swerving from his line of thinking he accomplished the impossible. Even in his failures Gandhi remained great and grew in stature.

While believing in collective decision-making and conceding the right of dissent to his colleagues, Gandhi could be most stubborn in his views and would not give up what he thought to be right. Yet he knew that he was not infallible and would be prepared to discuss his positions with others. On the Patna earthquake episode, he and Tagore differed vehemently and Gandhi left Tagore unconvinced of his position. Subsequently, Tagore wrote to Gandhi that while he differed with him, when Gandhi left Tagore's house, he found the footprints of God on the floor. One may differ with some of the opinions Gandhi held but one had to believe in his intuitive power which gave people an abiding faith in his views and which acted as a soothing balm to minds afflicted by many problems.

### Poverty and Misery

For Gandhi the misery of the poor was not just a phrase or a theme for meditation. It existed, it cried out in despair. Little do town dwellers, he said, know that millions of semi-starved Indians were slowly sinking into lifelessness. Little do they know that the profit they make is sucked from the blood of the masses. His human concern for the poor and the helpless is evident from a Talisman he gave which reads,

"I will give you a talisman. Whenever you are in doubt, or when the self becomes too much with you, apply the following test. Recall the face of the poorest and the weakest man whom you may have seen, and ask yourself, if the step you contemplate is going to be of any use to him. Will he gain anything by it? Will it restore him to a control over his own life and destiny? In other words, will it lead to Swaraj for the hungry and spiritually starving millions?"

Then you will find your doubts and yourself melting away."

Thus, Gandhi laid down the guidelines for those who believed in working to eradicate poverty. To Gandhi there was nothing more important than this. To him an independence which had nothing to offer to or lift the poor from their miserable plight remained a mirage and an illusion of little meaning or significance. A heart which does not melt at the misery and suffering of others was stone dead for him.

When Nehru and Patel sent an envoy to Gandhi, who was in Navakhali, to return to Delhi where arrangements were being made to usher in independence (lamps were to be lighted patriotic lyrics to be sung), Gandhi refused to return. He told the envoy to convey his message to Nehru and Patel that when thousands of people are being massacred in Navakhali, how could they expect him to be in Delhi to watch the illuminations? He picked a leaf which had fallen from the tree under which he and the envoy were standing and gave it to the envoy asking him to give that to Patel and Nehru with a message that there is no other gift that this poor man can give them but this leaf. Just as he said it, a tear fell from the eyes of the envoy on the leaf. Gandhi said, "perhaps God would not like me to give a dry leaf falling from an aging tree to them so it has been wetted with a tear." It was not that Gandhi was belittling the importance of the Independence Day celebration; rather, for him the suffering and ailing of people had primacy over his feelings for everything else. And, he would often recite, "Vaishnav jan to tene kahiye jay peerh paraaye jaaneyre."

### Gandhi and Economy

Gandhi might have lived like a naked fakir but he was never averse to his men and women striving hard to improve their economic lot and social status. For Gandhi, a free India would be judged by the way in which it served the common man in matters of food, clothing and social services.

The village economy fascinated Gandhi because "India lives in its villages." For him if villages perished then India perished. In his scheme of things Satyagraha is the key for a noble human spirit, while sarvodaya brings all people together in the "silken net of love."

During the late 40's and early 60's, when the capitalist form of economy was in vogue and the Marxist economy was gaining ascendancy, the two economic systems were in perpetual conflict to establish their primacy. Gandhi was well aware of these shifts in the ideological paradigm and could not gloss over the complexities involved in them. He was also disturbed at the unwelcome results of the two economic systems which were 'inefficient and wasteful' in his eyes. In his view the ideals of the both the systems got subverted by the disclosures of time.

Longing for a third way between capitalism and socialism, Gandhi developed the idea of trusteeship. As an alternative, he could see in the long distance the hope for human welfare. The idea of Swadeshi and the concept of trusteeship were mingled together. This was to regain respect for people for their every day material world, which they occupied through self-production. He tried to elevate the skills and crafts which provided the villagers with employment opportunity and means of livelihood. His adoption of Khadi clothes and spinning and weaving his own clothes also served as an example of self respect unsurpassed by colonialism.

His appeal for the Swadeshi and self-producing community was not to nurture any idea that India should deny itself the benefits

of economic progress achieved by others. On the contrary, he was the one who wanted outside winds to blow into his cottage but without letting his feet be blown off. He also remarked, "How can I be against any machinery when I know that even this body is a most delicate piece of machinery. A little toothpick is also a machine." What he objected to was machines becoming the master of men. The supreme consideration for him was man and all the rest, however important and glamorous, would have to be subordinated to it. No economic reform, however evolved, could lead to desirable changes to individuals and the society they constituted, unless they were carried through with sensitivity to the context and by appropriate means. It is not mass production but production for the masses which was important. Needs have to be met, but greed has to be controlled to ensure a well functioning economy. Gandhi's programme of economic reconstruction and equality was the key to removing the internal conflict between capital and labour and of correcting inequitable distribution of income and wealth. Furthermore, production which led to suppression of human rights and which took away the individual's freedom of choices could not be a good attribute of a dynamic economic system. For Gandhi, a free India would be judged by the way it served the common man in matters of food, clothing and social services and the way in which it ensured equality among men irrespective of their caste or the community to which they belonged.

He held that the goal of both politics and economics is to improve the welfare of all and not just of a section of society. Khadi and village industries programme was launched to reach the humblest and the poorest and provide them work and some income. He said, "If the government can provide full employment to our people without the help of Khadi and village industries I am prepared to wind up my work in this sphere." He added that he would have no hesitation in burning his wooden charkha to cook one day's meal.

### Religion and Politics

While politics remained the main domain of Gandhi's activity he brought a certain sense of religion to politics. Yet his conception of religion had nothing to do with dogma.

Gandhi wrote: "for me there is no politics without religion—not the religion of superstitions that hates and fights other religions, but a universal religion of toleration." Politics without morality is a thing to be avoided. Politics bereft of religion is a death track because it kills the soul. His veneration of other religions was the same as for his own. Consequently, he thought that conversion from one religion to other was uncalled for. He said "our prayers for others must be NOT 'God, give them the light Thou hast given me', but 'Give him all the light and truth he needs for his highest development.'" Gandhi was not a hermit in a traditional order who would withdraw from the affairs of the world and seek individual salvation. He sought salvation for all by transforming life and not transcending it.

When Radhakrishnan asked him what his concept of God was, he said “Earlier I believed that God is truth. Now I hold that truth is God.” His philosophies and ideologies of satya (truth) and ahimsa (non-violence) were influenced by *Bhagavad Gita*, because he found in it a path to the establishment of moral superiority through the perpetual contest between Dharma and Adharma transcending for spoils of victory. Strength by itself without a right cause remains a victim of history. The Geeta ends for him on a note of peace and not in praise of war. To his mind, all religions had a common universal texture operating within the framework of humanism and secularism. He was opposed to communal mindedness and narrow sectarianism in which morality and ethics are absent. He said, “Religion is outraged when an outrage is perpetrated in its name..... Today, the Hindus and the Muslims are clinging to the husk of religion. They have gone mad.” He believed in the *Gita* where the lord says “what ever be the form in which each devotee seeks to worship me with faith, I make their faith firm in that form alone.” His prayer meetings would start with the hymn, “Ishwer Allah tero naam sabko sanmati de bhagwan.”

The relationship between moral philosophy and politics is not easy to formulate in the practical form. Philosophers and religious men have remained reluctant to participate in politics in order to remain untouched by ambition or desire. But in real politics, ambition plays a formidable role. Gandhi was a religious man to whom religion meant a search for truth. He said, “I have been delivered from fear and desire in such a way that I know the power of God.” To overcome the estrangement between politics and religion through individual and collective action was a complex and demanding project. It was Gandhi’s greatness that he was able to hold to truth as his guiding principle without being bound to conventional forms of religious beliefs. Equality of all religions, or Sarva Dharma Samabhava, was his creed.

Gandhi knew that the Indian people hold strong religious beliefs. He, therefore, picked certain religious symbols of their worship and linked them with national yearning to give certain sanctity to political activities. He knew that India needed cultural symbolism to awaken in them, a spirit of self-pride which lay slumbering in them. Once awakened, he knew it would evoke a mass upsurge and create a larger national identity. The image of Ramrajya was an effort to put a halo in the freedom movement. He wanted the ancient spirit of India to be revived and become a part of India’s will to recapture its past glory. Immersed in Indian culture and traditions, he found strength in adhering discretely to people’s beliefs and experiences. He wanted to harness these rather than dissipate them. But he wanted that one should float with traditions and not sink into them. By bringing religion and politics together, he became a saint as well as a statesman and attained a pluralist morality by mixing the two. He believed in ‘swadharma.’ In his eyes, secularism denoted equality of religions. It was Martin Luther King Jr., who said, “From my background I gained my regulating Christian ideals. From Gandhi, I learned my operational technique.”

## FORTHCOMING EVENTS

### Five-day Workshop on Audio Visual Media as a Tool in Research

Audio-Visual media and the technology needed for its production is becoming increasingly accessible to researchers, both in terms of ease of use and cost. Digital media productions are being used more and more by Government Departments, corporate houses as well as NGO’s and other developmental organisations. However, social scientists and researchers in most academic institutions, who are doing a lot of meaningful work, have not yet fully realized the potential of integrating audio-visuals in their work. What is important is for them to first understand this medium, how it works and its utility in research.

As an experiment, training had been provided to ISID faculty and staff in the year 2001, which resulted in the production of four short films made in-house by the participants, using very basic production facilities. One of these films, a satire on the multinationals in India, called *Of MNCs and Gods* was screened at the 19<sup>th</sup> National Congress of Communist Party of India (CPI) held at Chandigarh in September 2004, and was used by Kern Institute, South Asia Department, Leiden University, The Netherlands for their classroom use. The film was widely appreciated.

ISID Media Centre proposes to organise a five-day training workshop in February 2011, to train and motivate researchers and academics to use this technology as a tool to enhance, not only the content, but also the impact and outreach of their research. The programme will not only include lectures and interaction with experts and professionals from the field of communication, but also practical hands-on training in using a camera and editing software. Techniques of audio-visual production and their incorporation in presentations and uploading on the internet will also be covered.

Those interested in attending, may email Prof. Seema Goyal Papola at [seema@isid.org.in](mailto:seema@isid.org.in)

### Gandhi’s End

Gandhi died when he had still something to say. Tagore had audaciously said that Gandhi would not succeed, perhaps even fail as the Buddha had failed, as Christ had failed, to wean man away from inequities. But he would always be remembered as one who made his life a lesson for all ages to come.

Albert Einstein said that in generations to come, people would wonder whether such a man as this in flesh and blood walked on the earth.

The death of Gandhi is in the same class as the crucifixion of Jesus—a rupture between evil and goodness, between religion and politics. “Must then a Christ perish in torment in every age to save those that have no imagination.”

Gandhi died with “*Hey Ram*” on his lips—the final cry of an anguished soul anxious to discover the final truth.

## ABOUT THE ISID

The Institute for Studies in Industrial Development (ISID), successor to the Corporate Studies Group (CSG), is a national-level policy research organisation in the public domain and is affiliated to the Indian Council of Social Science Research (ICSSR). Developing on the initial strength of studying India's industrial regulations, ISID has gained varied expertise in the analysis of the issues thrown up by the changing policy environment. The Institute's research and academic activities are organised under the following broad thematic areas:

*Industrial Development:* Complementarity and performance of different sectors (public, private, FDI, cooperative, SMEs, etc.); trends, structures and performance of Indian industries in the context of globalisation; locational aspects of industry in the context of balanced regional development.

*Corporate Sector:* Ownership structures; finance; mergers and acquisitions; efficacy of regulatory systems and other means of policy intervention; trends and changes in the Indian corporate sector in the background of global developments in corporate governance, integration and competitiveness.

*Trade, Investment and Technology:* Trade policy reforms, WTO, composition and direction of trade, import intensity of exports, regional and bilateral trade, foreign investment, technology imports, R&D and patents.

*Employment, Labour and Social Sector:* Growth and structure of employment; impact of economic reforms and globalisation; trade and employment, labour regulation, social protection, health, education, etc.

*Media Studies:* Use of modern multimedia techniques for effective, wider and focused dissemination of social science research and promote public debates.

ISID has developed databases on various aspects of the Indian economy, particularly concerning industry and the corporate sector. It has created Online Indexes of 175 Indian Social Science Journals (OLI) and 15 daily English Newspapers. More than one million scanned images of Press Clippings since 1999 on diverse social science subjects are available online to scholars and researchers. These databases have been widely acclaimed as valuable sources of information for researchers studying India's socio-economic development.

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