

Economic Empowerment of Indian Muslims

In the light of Sachar Committee Report

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The situation report prepared by P.M.'s High Level Committee popularly known as Sachar Committee on the social, economic and educational status of Muslim Community of India and its publication in November 2006 has once again heated the debate of deprivation of Muslims of India on the one hand and dream to bring sizeable section of our population i.e. Indian Muslim as a rightful partners in progress on the other. Evaluators of the findings of this report have expressed diverse views. To some, report is not comprehensive and does not provide an insight into the real condition of Muslims on account of want of input from various states and different sectors. Moreover it is alleged to be more a political stunt rather than a sincere effort on the part of the people in power who have ruled the independent India for around 50 years and are therefore basically responsible for deficit and deprivation. To others, Committee on behalf of the government has done a commendable job hence it should be recognized. The compilation of stray and sporadic research, survey reports and unpublished data particularly of the public sector has made available an authentic document for understanding, further research, analysis and enactment of suitable laws, rules, policies and programs on behalf of the community as well as the Government to initiate empowering change process. In fact committee's remark "community exhibits deficits and deprivation in practically all dimensions of development" adds to the understanding that fruits of the country's development have been disallowed to be justly shared by Muslims in proportion to their population.

But keeping aside the general responses of oppositions and supposition, there are questions and apprehensions which need to be settled well before any conclusion about worth or worthlessness of this exercise can be drawn. For instance, the level of sincerity and seriousness of the government about conditions of Muslims of India! Further, what status government grants to this report? Is it merely an academic exercise or will it be binding on government to act as per recommendations? If the answer is in negative, should it not be treated as mere exercise and as part of ongoing process of befooling pacifying and dumping issues related to Muslims of India? Specially in view of the past records of having large number of commissions on communal riots including Gujarat in post independent India, Gopal Krishna Commission and Srikrishna Commission etc., where exercise finishes with compilation and submission of the reports without any end product. If so, what about the national dream of establishing civil society and attaining the status of developed nation. Will the government be able to change its perceptions and of the people that in reality, Muslim backwardness is not the issue of Muslims alone but a national issue? But if response is in affirmative, then whether the findings and recommendations of this report are going to have an impact on Indian Vision 2015, Planning Commission's course of action, Five Y.P. and Annual Budgets? Even if yes, what is the new strategy when "P.M.'s 15 point Programme" has mainly benefited other minorities marginalizing Muslims? Is there going to be enactment of laws and formulation of rules for award and punishment for implementation of government schemes in letter and spirit? Is there plan for effective intervention of Ministry of Empowerment and Social Justice, Ministry of Minority Affairs and National Minority Commission and design for meaningful

accountability system for RBI, NABARD, SIDBI, NMFDC and NBCFDC? Is community's own philanthropic initiative in terms of Wakf going to get the patronage of Central and State government as per the committees' recommendations and desires? There are host of other questions like this related to each topic committee dealt with warranting an answer.

However coming back to our track let us summarily go through findings on economic status and recommendations of the committee to better the lot, unattended for many - many years.

Highlights of Reports about Current Economic Status

Committee has compiled its findings and expressed its views under twelve different heads. All are inter related and inter connected. However chapters 5, 6, and 8 are directly related to the economic conditions of Muslims. While all other chapters are indirectly related to economic status in views of their impacts, chapters 9 and 11 reinforce the view of economic deprivation as it deals with participation of Muslims in Government Employment and programmes and Wakfs properties. Chapter 5 entitled as **Economy and Employment** provides a detailed comparative account of the employment of Muslims, vulnerable nature in the context of employment and policy focus in order to improve the conditions of work for the community. Chapter 6 entitled as **Access to Bank Credit** summarises availability of money to the community, which is in any is lifeblood of the comparative economy. Chapter 8 entitled as **Poverty Consumption and Standard of Living** provides data with respect to basic needs across socio-religious communities (SRCs).

A. Poverty Consumption and Standard of Living

1. Incidence of Poverty among Muslims is the highest with Head Count Ratio of 38.4% (o m 12.2%) in urban areas and 26.9% (o m 13.3%) in rural areas.
2. Substantially large proportion of Muslim Households in urban areas is less than Rs. 500 expenditure bracket.
3. Poor Muslims consume only 75% of the poverty line expenditure on an average which is lowest of the SRCs.

B. Economy & Employment

1. Work Population Ratios' (WPRs)

WPR for Muslim male was 47.5 per cent against 51.7 percent all religious communities, while for Muslim female it was 14.1 percent against national average of 25 per cent (census of India 2001)

2. Incidence of Unemployment

Incidence of unemployment are slightly higher for all Muslims than for all Hindus, which is generally not higher than 11 per cent.

3. Employment Status

Regular Salaried Job:- Both in public and private sector, Muslim workers figure only 13% against 25% Hindu Workers.

Formal Sector: - In the formal Sector (Govt., PSUs, Pub & Pvt. Ltd. Cos.) share of Muslim Workers in urban areas is less than 8% as compared to the national average of 21%.

Street Vending:- Street Vending especially without any fixed location, the share of Muslim male workers is 12% as compared to the national average of 8%.

Security & Defence:- Participation in security and defence related activities at the Central Government level Muslim share was only 8% while that of Hindus was 42%.

Government Employment

Service	All Officers	No. of Muslim Officers	Muslim as Percentage to All	Unconfirmed Names
Civil Service Officers (IAS, IFS & IPS)	8827	285	3.2	10
Indian Administrative Service	4790	142	3	4
Indian Foreign Service	828	15	1.8	0
Indian Police Service	3209	128	4	6
All Reported Government Employment (Excludes PSUs)	8844669	438173	4.9	
All PSUs	1432783	103048	7.2	

4. Self – Employment Status

Self-employment in household enterprises :-

- 57.4% of total Muslim Workers are engaged in self-employment in household industries compared to national average of 44.6%.
- 12% of Muslim workers are engaged in street vending (specially without any fixed location) as compared to national average of 8%.
- Percentage of Muslim women workers undertaking work within their own homes is 70% in comparison to 51% for all other workers.
- More than 41% of male workers engaged in manufacturing of tobacco products are Muslims. The share of Muslims in women workers in this sector is 35%.
- About 30% of male workers engaged in manufacture of garments are Muslims and the corresponding percentage among women workers is 17%.
- More than 26% of workers engaged in sale, repair and maintenance of Motor Vehicles are Muslims.
- More than 23% of male workers engaged in electrical machinery and operator's manufacturing are Muslims.

It implies that unorganized private sector is the major source of livelihood for Muslims. As one cannot live without bread, Muslims in India earn their bread by engaging themselves in petty trades and cottages based economic activities.

C. Access to Credit

The share of Muslims in outstanding Priority Sector Advances (PSAs) from financial institutions has been observed as below –

All Scheduled Commercial Banks	4.59%
Public Sector Banks	4.57%
Private Sector Banks	4.69%
NABARD Refinance (Production Credit)	3.20%
NABARD Refinance (Investment Credit)	3.9%
SIDBI	0.46%
NBCFDC	9.31%

Remarks –

- RBI's efforts to extend banking and credit facilities under the PM's 15 point Programme have mainly benefited other Minorities marginalizing Muslims.
- As the share of Muslim in population increases, their share in amount outstanding tends to decrease.
- Some banks have identified a number of Muslim concentrated areas as "Negative Geographical Zones" where bank credit and other facilities are not easily provided.

The above picked up figurative facts from Sachar Committee Report narrates its own tale of horror and disempowerment to destitution. While closer look at the report suggests that community itself is partially responsible for this state of affair, it is basically certainly the guardians and masters of power – Central, State and local self governments along with people with biased and vitiated mindset in the private sector responsible for converting a substantial national assets into liability.

Empowerment

Before turning to the tools of economic empowerment of the community, it seems imperative to visit the concept of empowerment as debated and understood. In fact, Empowerment as a concept relates to the enabling / enabled competences of capabilities. In a more general context, empowerment is seen as matter of providing at least to some extent means of subsistence as a right. However empowerment in general is understood as means to enable to control the personal, communal and societal environment to foster their own development. Such control comprises of gaining influence over the environment as well as accessing the environment to enrich the socio – personal life. Thus empowerment is defined as a matter of access and participation always being a process of getting empowered rather than being concerned with a status of being empowered. More particularly there is a need to become cautious with the creation of minor positions and new forms of dependency rather than the development of empowering settings. it may be noted that participation is part of

establishing power over oneself and at the same time conditions which are decisive for one's own life. In view of the above understanding it may be concluded that empowerment has three elements / dimensions namely Access, Participation and Control.

Recommendations

The question of economic empowerment of Muslims of India in the light of Sachar Committee findings and recommendations need to be understood in the above context. The recommendations of the report for economic gain and growth of the community emphasis the following points of general and specific nature -

General Initiatives

- *Mechanisms to ensure equity and equality of opportunity to bring about inclusion should be such that diversity is achieved and at the same time the perception of discrimination is eliminated.*
- *Creation of a National Data Bank (NDB) where all relevant data for various SRCs are maintained is recommended.*
- *An autonomous Assessment and Monitoring Authority (AMA) is needed to evaluate the extent of development benefits which accrue to different SRCs through various programmes.*
- *The Committee recommends that an Equal Opportunity Commission (EOC) should be constituted to look into the grievances of the deprived groups.*
- *A carefully conceived 'nomination' procedure should be worked out to increase inclusiveness in governance.*
- *The idea of providing certain incentives to a 'diversity index' should be explored. A wide variety of incentives can be linked to this index so as to ensure equal opportunity to all SRCs in the areas of education, government & private employment and housing.*

Specific Initiatives

Enhancing Access to Credit and Government Programmes

The following recommendations can be made:

- **All banks should be required to provide information to anyone** who asks about the localities to which loans have been disbursed. The information regarding the SRC background of customers and clients should also be maintained by the banks and made available to the RBI. It is not required to provide information on individual accounts but aggregated across SRCs.
- The Committee, therefore, **recommends promoting and enhancing access to Muslims in Priority Sector Advances**. Any shortfall in achievement of targeted amount in minority specific programmes should be

parked with NMDFC, NABARD and SIDBI and specific programmes should be funded with this amount. However, the real need is of policy initiatives that improve the participation and share of the Minorities, particularly Muslims in the business of regular commercial banks.

- Instead of reporting 'Amount Outstanding', the RBI periodic **reports on Priority Sector Advances should contain data on 'Sanctions or Disbursements to Minorities' in the reporting period**, along with the 'amount outstanding'. The modified reports on priority sector advances should also segregate figures furnished under 'Others' to reflect the deployment of funds by banks in institutions like NABARD and other financial institutions.
- The Committee also recommends that the coverage under Public Programmes should be extended to include more schemes and should also include lending by NABARD and SIDBI. SIDBI should **set aside a fund for training for minorities under its Entrepreneurial Development Programme**. Such programmes should not only aim to improve skills of artisans in traditional occupations but also reequip them with modern skills required to face the adverse effects of globalization in their area of artisanship. Given the substantial presence of Muslims in these occupational groups special attention should be given to them.
- **A policy to enhance the participation of minorities in the micro-credit schemes of NABARD should be laid down**. This policy should spell out the intervention required by NABARD through a mix of target and incentive schemes based on the population percentage of Muslims in the village in order to enhance the participation of Muslims in micro-credit. In any case, data on the participation of different SRCs in such schemes should be collected and shared with the RBI or the NDB.
- The detailed analysis of Muslim participation in government employment and other programmes has shown very limited participation in both. While no discrimination is being alleged, **it may be desirable to have experts drawn from the Community on relevant interview panels and Boards**. This practice is already in vogue in the case of SCs/STs.
- The Committee recommends that **all 58 districts with more than 25 % Muslim population should be brought under the 15 Point Programme. A special assistance package for the development of these districts should be launched**. The same principle might be applied to units taluka/block with similar concentration of Muslims.
- **There should be transparency in information about minorities in all activities**. It should be made mandatory to publish/furnish information in a prescribed format once in three months and also to post the same on the website of the departments and state governments. There should be provision for reporting default and delays in processing/rejection of application at the state / district / block levels. In line with the thrust towards greater transparency, applicants should also have full right to information about the status of their applications. The information regarding the application, and the processing stage should be made known to the applicant

on request. This information should also be made available through the website and touch screens to the applicants.

- **Detailed data should be collected regularly on the participation of different SRCs in government programmes**, both at the state and the Central level. As suggested earlier such data should be made available to the NDB which will maintain it and make it available to users.
- The Central Government should **introduce a few schemes with large outlays for welfare of minorities with an equitable provision for Muslims**.

Improving Employment Opportunities and Conditions

The country is going through a high growth phase. This is the time to help the underprivileged to utilize new opportunities through skill development and education. The policy intervention needs to help workers engaged in growth-oriented sectors to become part of the larger network of market-oriented firms engaged in that sector. For those caught in the stagnant sectors, a transition path will have to be evolved. Skill up-gradation, education and credit availability, referred to earlier will have an important role in both these strategies. The other deficit is in regular employment as a very small proportion of Muslim workers are engaged in regular work, especially in salaried jobs with the public sector or the large private sector. The conditions of work of not only the self-employed Muslim workers but also the regular workers are precarious.

Given these conditions, the following initiatives seem desirable:

- **Provide financial and other support to initiatives built around occupations where Muslims are concentrated and that have growth potential.** These initiatives can take the form of interventions where existing skills of the workers are combined with knowledge of modern management practices, new technology, and emerging market needs. The case of Maya Organic, discussed in Chapter 5 as a good example of such an intervention. Similar initiatives need State support but market orientation of such initiatives is critical for their success. In specific contexts the skilled persons benefiting by these interventions may consist of youth who have not had adequate schooling. In these situations the intervention may need to include some educational content, as an essential concomitant.
- Since skill up-gradation needs might be high in such clusters, **location of ITIs, polytechnics and other institutions that provide skill training to non-matriculantes need to be located here.** Availability of such institutions in the vicinity would not only help those sections of the workers who are involved in growth-oriented industries but also those who wish to move to new sectors through skill formation or up-gradation.
- Given the **precarious conditions of the self-employed persons** in the informal sector, especially the home-based workers, it is desirable to have a **mandated social security system for such workers.** Casual workers in the informal sector should also be able to participate in such schemes. Since the

State is already thinking of such a scheme, an early implementation would benefit a large section of the Muslim population along with helping the larger segment of the informal sector workforce.

- **A more transparent recruitment system will help to build public confidence in the system.** It is not being suggested that inclusion of minorities in selection committees will improve the chances that Muslims will get selected; it can surely improve the confidence of Muslim applicants during the selection process.
- Efforts should be made **to increase the employment share of Muslims** amongst the teaching community, health workers, police personnel, bank employees and so on. **Employers should be encouraged to endorse their organizations as 'Equal Opportunity Institutions' so that applicants from all SRCs may apply. A time bound effort in this direction is desirable.**
- Some simple measures like undertaking a visible recruitment process in areas and districts with high percentage of Muslims, job advertisements in Urdu and vernacular newspapers and other media, or simple messages like 'women, minority, and backward class candidates are encouraged to apply' may create an atmosphere of trust and confidence. Similarly, not as a measure to eliminate discrimination but as an initiative to build confidence, **it may be useful to have at least one Muslim inspector/subinspector in the Muslim concentrated Thanas, Muslim health personnel in health units located in such areas, a few Muslim teachers in schools located in such areas and so on.**

Enhancing the Efficacy of Infrastructure Provision

It is alleged that in many situations, the service providers have inherent biases and show resistance to reach out to the Community. To correct this situation the following measures are suggested.

- **Sensitization of the service staff regarding issues of social exclusion** has already been mentioned and can be quite useful in reducing these problems.
- Credible NGOs, with necessary expertise, from the Muslim community are few and far between. *These institutions, being closer to the community can indeed play an important role as intermediaries between policy programmes announced by the government and their beneficiaries within the Muslim community.* Besides, there **is need to encourage the setting up of civil society organizations from amongst the Muslim community as well.** But once again, the reach of such organizations is going to be very limited and the responsibility of the State in providing basic health and other infrastructure facilities remains the main hope of all poor, including Muslims.
- The government would be well advised that **all villages/towns/habitations/ be provided with basic amenities, good quality government schools and health facilities, pucca approach roads, and general improvement in living conditions** (supply of electricity/housing/clean drinking water and sanitation). **This is in the overall**

interest of India and not only of Muslims alone. Not providing these basic facilities is a violation of human rights.

The issues relating to disparities across socio to religious communities are of utmost importance to our nation today. If this Report contributes in any way in constructively dealing with these issues and in facilitating a more informed discussion on them, the Committee's efforts would be well rewarded.

Recommendations made by the committee are quite exhaustive though not conclusive for the economic empowerment of Muslims of India. Therefore, in addition to above, following few more humble suggestions are made, which are likely to positively affect the empowering change process –

1. Community Initiative

Any positive change warrants self initiative. Let us remember that even God does not change the condition of the people unless they change themselves. Therefore a behavioural change with respect to perception with respect to poverty and prosperity, dignity of labour, and increase in work participation rates etc. is required. Muslim organizations have to play an important role in this respect. I want to use the formulae **Give them the taste of prosperity, they will become prosperous.**

2. Political Will

Only determination on the part of the people in power can only facilitate initiative and change process. For this a change in perception is required and that is – Deficits and deprivation of Muslims in India is concern of Indian people and Indian Government and not Muslims alone. Further this determination should be visible in annual budgets and five yearly plans.

3. Formation of a Think Tank and Advocacy Group

Identification, Initiative and undertaking right issues at the right moment in a rightful way most often nips the problem in the bud. Similarly in a democratic country like ours, people's opinion pressurises the government for necessary action. Unfortunately community lacks grossly on both counts. Therefore there is an urgent need that community intelligentsia comes together and addresses the community issues and problems and guides the people for appropriate timely actions. Similarly advocacy group should regularly liaison with people responsible for framing programmes and policies and implementing them.

4. Centre for Studies on Indian Muslims

There is a need to establish a centre for studies on Indian Muslims like the one announced by Jamia Hamdard. This is so because the issue of growth and development of Indian Muslim Community is a complex one and needs an in depth study and analysis. Simple material support and provisions may not supplant the real change process. Moreover variables of growth and development are dynamic in nature; hence no static model can ensure required results.

5. Chamber of Commerce & Industry, India

There is need to establish and effectively operate chambers of commerce and Industry. In addition to performing conventional functions, these chambers

should focus on providing consultancy, training, interfacing with modern techniques and marketing support to small and cottage industries where from large chunk of Muslim population derives its livelihood.

6. Promotion of Small Scale Industries Cluster

Promotion of small scale industries cluster in Muslim dominated areas for opening opportunities of employment, ancillary works and recognition of production process according to Japanese and Chinese models.

7. Micro Credit Institutions

Capital formation is pre – requisite for economic growth. Micro Savings of Muslims need to be mobilized and invested for profit generation. Community initiative in this field can supplement government programmes of Micro Credit. Hence it is recommended to establish a Micro Credit institution preferably in the Cooperative Sector with a capital of Rs. 1000 crores.

8. Organic and Commercial Farming

Substantially large number of Muslims lives in rural areas with small land holdings. There is a need to orient these farmers to commercialise their farming and make use of government schemes of growing medicinal plants and diesel seed farming.

9. Employment Exchange in the Voluntary Sector

A large number of jobseekers remain unemployed on account of information gap of the employment market. This is more so in case of people living in slums and remote places and rural areas. Voluntary sector efforts to counsel, guide, retrain and bring unemployed youths to the door of job opportunities will certainly help them uplift economically. Therefore there is an urgent need to promote schemes like www.login4job.com or take new initiative in this field.

10. NGO Capacity Building Programme

There is need to take initiative for establishment of NGO's in the backward Muslim concentrated 55 districts and arrange to train the existing NGO's enabling them to become effective vehicles of benefits of private philanthropy and public sector schemes (15 Point Programme) to the marginalized people. It may be noted that NGO interventions in this field is bringing wonderful results. And therefore there is no reason why Muslims NGO's can't play a positive role in economically uplifting Muslims of India.

11. Stress on Quality Education and Training

Education and Training institutions do not produce quality products. This is why most of them remain unemployed and unemployable. Hence there is a need for focussed attention in this filed. The community should consider establishing grade rating agencies on the pattern of NAAC.

12. Competitive Examinations for Jobs

Administrative sector has still vast potential for jobs. But Muslim youths participation rate is disappointing (only 4%). There is a need to do focus work like that of Hamdad Education Society. Existing institutions need to take advantage of central and state government funding schemes and prepare

students for larger participations. The establishment of **Muslim Career Council of India** for focussed work in this field may be an option in this regard.

13. Wider use of Insurance Sector

Insurance sector provides cover to life and material losses of diverse nature. It is imperative for the community to subscribe to these schemes on the wider scale. Proper awareness and educational campaign is warranted to turn economic losses into economic gains through these schemes.

14. Commercial Exploitation of Wakf Properties

It is understood that large number of wakf properties alone can economically empower the community provided they are commercially exploited. With change in lease laws, private sector developers can be invited for this purpose. Moreover the establishment of Wakf Properties Development Corporation (WPDC) under the control, participation and guidance of Central Wakf Council, State Wakf Boards and Muslim NGOs may be another option in this regard.

15. Zakat Fund

Zakat as an institution has vast potentials of a meliorating economic sickness of the community. According to an estimate, the annual disbursement of Zakat amounts to approximately Rs. 10,000 crores. This is the high time that community think and act for productive use of Zakat Fund.

Concluding Remarks

The submission made above is no way exhaustive. Much more can be written and deliberated.

Empowerment is possible only by disempowering the process of destitution.

“GOD DOES NOT CHANGE THE CONDITION OF THE PEOPLE UNLESS THEY CHANGE THEMSELVES.”

It means empowerment can be done by community itself by –

- a) Galvanising its own men and material resources,**
- b) Making government act with sincerity towards the empowerment of its second largest population segment.**
- c) Committing by each one of us to contribute towards empowerment dream in whatever humble way possible, before leaving this session of the workshop.**