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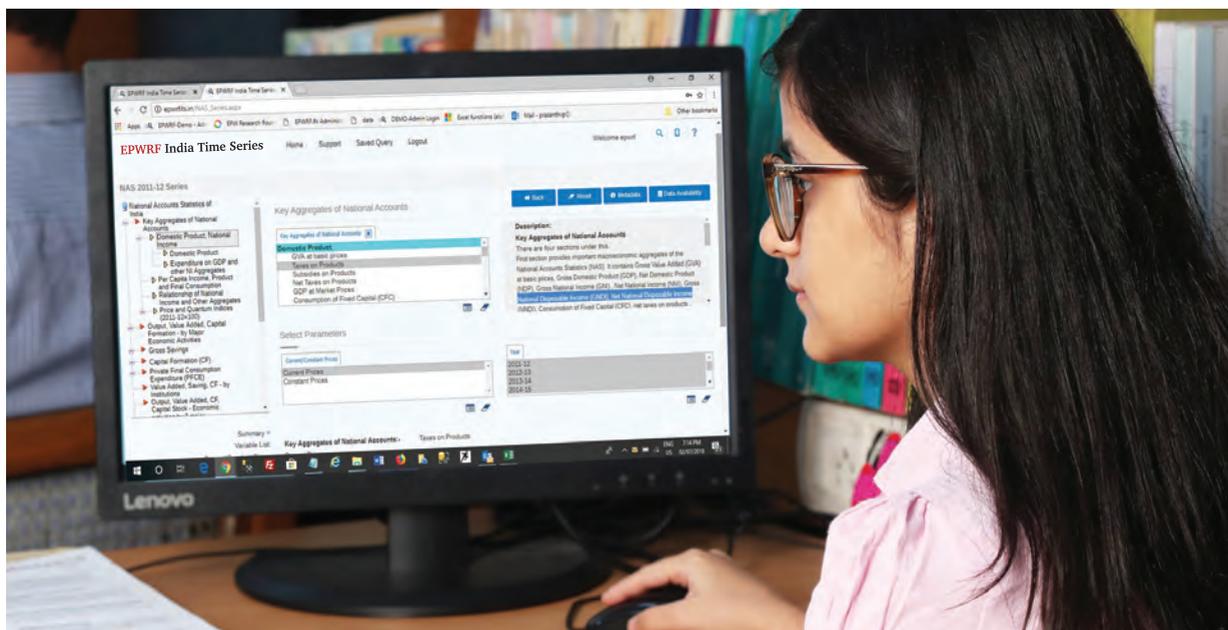
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**ECONOMIC & POLITICAL WEEKLY**

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Printed and published by Gauraang Pradhan, for and on behalf of Sameeksha Trust and printed at Modern Arts and Industries, 151, A-Z Industrial Estate, Ganpatrao Kadam Marg, Lower Parel, Mumbai-400 013 and published at 320-322, A-Z Industrial Estate, Ganpatrao Kadam Marg, Lower Parel, Mumbai-400 013  
Editor: Gopal Guru (Editor responsible for selection of news under the FRB Act)

**Clearview AI: Dangers to Privacy from the Private Sector**

The passing of the Criminal Procedure (Identification) Bill, 2022 by the Parliament has renewed the public debate on privacy and data protection in India. Many scholars have commented that certain provisions of the bill are against privacy and fail the test of proportionality and necessity. However, after the Pegasus episode, it should have been clear that the wider danger to citizens' privacy is not from a database maintained by the government but from products created by the private sector and being misused by several institutions.

Clearview AI is a United States (us)-based company that has downloaded over 10 billion facial images from the internet. These images have been sourced from social media and content-sharing platforms like Facebook, Twitter, YouTube, and LinkedIn, as well as through other websites. These images belong to people of all nationalities, irrespective of their age, gender, or any other factors. Once downloaded, these images were put through Clearview AI's facial recognition platform that created a database with numerous biometric data points. Experts have claimed that it is possible to identify gender, age, ethnicity, or emotional state through facial recognition and also "honesty, personality, intelligence, sexual orientation, political orientation, and violent tendencies" with relatively low accuracy. This trove of data, which can reveal the inherent private information of a person, was licensed by Clearview AI to several law enforcement organisations across the world, including the Vadodara City Police in Gujarat.

To use the Clearview AI, all that a user needs to do is send across an image of a person, and they would get a customised report containing all the images matching the biometric profile, along with other information obtained through the processing of those images. This technology is mainly used in criminal investigations and is now being used in Ukraine to identify dead Russian soldiers.

The revelation about Clearview AI created a furore in Europe. As Clearview AI's

actions of downloading images and putting them through facial recognition software contravene all the principles of privacy to their core, it faced several lawsuits in different parts of the world. The main allegations against Clearview AI are as follows: (i) Clearview AI downloaded the images without the consent of the users; (ii) it violated the data-scraping policies of social media platforms in downloading these images; (iii) its actions amount to profiling, which is illegal when conducted without any basis; (iv) it retains the images in its database even when they have been deleted from the original source; and (v) its users are not limited to law enforcement agencies, but the data has been shared with private citizens who have misused the same.

On the contrary, Clearview AI claimed that the images in its database were already publicly available on the internet, and its downloading and subsequent actions are publicly available information and do not contravene anyone's rights. However, this argument has been negated by all authorities that have adjudicated on this issue by saying that information collected from social media being used for an unrelated purpose cannot fall under the already public exception.

In Europe, the Italian Data Protection Authority has fined Clearview AI €20 million for violating the General Data Protection Regulation and has directed the company to stop its operations and delete images of persons living in Italy. The United Kingdom's Information Commissioner's Office has proposed a fine of £17 million against Clearview AI, and the proceedings are ongoing. Clearview AI's operations have been held to be illegal in Canada, Australia, France, and Germany, where it has been directed to take remedial steps.

Indians constitute a majority of the user base of all prominent social media platforms. The rampant breach of their privacy by Clearview AI and its subsequent use by agencies of the state should have been infuriating. However, the lack of any litigious step in this regard is perhaps attributable to the absence of a data protection law in India. The government too seems to be happy with the present

state of legislative vacuum as it has proposed a “National Data Governance Framework and Policy” without legislating a comprehensive data protection law. At the same time, facial recognition technology is being introduced by the government at airports under the Digi Yatra initiative and in public sector undertakings for biometric attendance.

The Supreme Court in the K S Puttaswamy judgment has held the right to privacy to be a fundamental right. However, in absence of any legislative enactment, the right is going to remain a possibility only against the state and not against private actors who flout citizens’ privacy with equal impunity. For example, a citizen can challenge the use of Clearview AI or any other facial recognition technology by the state, but what remedies does one have against the existence of a private database such as the Clearview AI? The Supreme Court in the Pegasus case (*Manohar Lal Sharma v Union of India and Others*, Writ Petition (CrI) No 314 of 2021, Order dated 27 October 2021) has said “the right to privacy is directly infringed when there is surveillance or spying done on an individual, either by the State or by any external agency.” It even cautioned by saying, “it is undeniable that surveillance and the knowledge that one is under the threat of being spied on can affect the way an individual decides to exercise his or her rights. Such a scenario might result in self-censorship.”

Thus, in the present scenario, there needs to be an equal thrust by the public on the need for a law that penalises such illegal activities by both the government and the private sector. The right to privacy is not an abstract idea but lies at the core of human dignity, and it should be ensured that the right becomes meaningful and is put into action.

**Gaurav Pathak**

NEW DELHI

## Rice Crop and the Economics of an Ecosystem

Is the actual cost of a standard variety of rice we buy from the market in India \$0.6 per kilogram (kg)? In general, for a typical variety of rice, the rates vary from \$0.6 to \$4.7 per kg for Sri Lanka

and Japan, respectively. Is this the actual cost of 1 kg rice? These questions are pretty relevant in the first half of the 21st century. The world population always remained below the 1 billion mark up to the 18th century. Just after the spurt of the industrial revolution, it rose exponentially and reached 7.8 billion and is still growing continuously.

The population explosion exerted more pressure on agriculture, which ultimately led to the green revolution. The aim was to increase the productivity of agricultural output. Is agriculture’s success being measured as higher produce per unit area? Further increase in food demand led to unprecedented land use and land cover change on a massive scale. The land use shift has changed one-third of the world’s geographical area; moreover, anthropogenic activity has affected around three-quarters of the earth’s surface in various ways. Agriculture and land use activities significantly influence global climate and conservation strategies. Furthermore, more food requirements shifted the focus on high-yielding varieties, causing the loss of genetic biodiversity.

A study by the Food and Agricultural Organization (FAO) states that the biodiversity of our food intake is declining, and we are becoming less diverse in choosing cereals and food varieties. The productivity-focused agriculture gave birth to severe environmental degradation in agricultural pollution, groundwater contamination, heavy metals in the food chain, loss of biodiversity, and severe health threats.

Coming back to the cost of rice, it is the third-largest agricultural commodity grown over the world, and in India, it is produced in the winter season as a kharif crop for a duration of 90–110 days. The summer rice yields are profoundly dependent on groundwater supply. These three seasonal yields are designated according to the season of harvesting rice. The rice cultivation in India is hugely reliant on groundwater, with 1 kg of paddy

requiring around 2,000 litres of water to thrive.

The tillage operations, diesel fuel used, farm machinery, groundwater pumping, electricity for pumping, fertilisers, insecticides, pesticides, all affect the ecosystem adversely. Thus, the economics of modern agricultural produce is way higher than the market cost when considering the monetary harm to the ecosystem services. In the context of India, rice is a highly exported food product, followed by buffalo meat and maize. In the long term, this kind of deficit will further worsen the condition of available water resources.

The world’s population is expected to reach 9.1 billion by 2050, a 34% increase from today. Thus, agricultural production must increase by 70% to feed this larger, more urban, and wealthier population. It would be challenging to match this increased demand with sustainable solutions. The increase in productivity with sustainable measures such as maintaining healthy biodiversity, nature-friendly insecticides, fertilisers, water-saving irrigation techniques like micro-irrigation, efficient and targeted delivery of nutrients to plants, use of internet of things for monitoring the agricultural inputs, precision farming, and vertical farming could be the solution for sustainable agriculture along with keeping the prices within the reach of the deprived masses.

**Pankaj Kumar, Anil Kumar Sharma**

PANTNAGAR

## Errata

In the Postscript article titled “Ethics and Empathy: Doing Ethnography in Conflict Zones” by Aamir Shiekh (*EPW*, 16 April 2022), the name “Saiba Varma” has been incorrectly printed as “Saiba Verma.” Moreover, the statement “... the University of California San Diego dissociated itself from anthropologist Saiba Verma ...” should have read as “... the University of California San Diego disaffiliated anthropologist Saiba Varma from the ‘Critical Gender Studies’ programme ...”

The errors have been corrected on the *EPW* website.

*The errors are regretted—Ed*

## EPW Engage

The following article has been published in the past week in the *EPW* Engage section ([www.epw.in/engage](http://www.epw.in/engage)).

- (1) Exploring the Formation of Jat Masculinity in Contemporary Punjabi Music — *Sumati Thusoo, Shivangi Deshwal*

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## Surge in Exports

*Despite the recent gains, the relative size of the exports sector remains significantly below the peak levels.*

It is celebration time at the Ministry of Commerce and Industry. The reason is the sudden surge in exports of goods and services in 2021–22 after registering a decline for two consecutive years. While the exports of goods zoomed by 43.8% to reach an all-time high of \$419.7 billion in 2021–22, that of services rose by 20.9% to touch \$249.2 billion. And the total exports of goods and services were valued at a humongous \$668.9 billion after posting a 34.3% growth in 2021–22. However, these surging growth numbers hide more than they reveal. Because if one takes a three-year average to capture the impact of the fall in exports in the previous two years, the growth of goods, services, and the total exports in 2021–22 slump to 10%, 6.8%, and 8.5%, respectively. These are certainly decent figures, but no cause for any celebration.

Moreover, the surge in Indian exports is mainly due to global factors rather than the government trade policies. For instance, in the case of merchandise or goods exports, the flows initially rose at double-digit levels in the latter half of the last decade and then suddenly plunged in the last two years, with the exports even shrinking by 7.2% in 2020 following the disruptions caused by the pandemic. However, global exports then staged a marked recovery in 2021 by surging nearly 27%. This has also been reflected in the Indian goods exports that rose by a substantial 54.6% in 2021 after declining in the previous two years. Exports growth of the three largest global exporters—Germany, China, and the United States—was a modest 24.1%, 28.1%, and 23.9%, respectively. Although Indian goods exports surged the highest among the major economies in 2021, the country's share in global exports rose by just 0.1% from 2.4% in 2019 to 2.5% in 2021, while that of China rose much faster from 9.6% to 10.5% during the same period.

Despite this recovery in Indian exports, the share of the Indian exports sector in the larger economy still lags substantially behind the peak levels it attained in the middle of the last decade. The surge of goods exports in 2021–22 pushed up the exports share in the gross domestic product (GDP) to 13.5%, while that of services exports rose to 7.3% and thus the share of the total goods and services exports went up to 20.8%. This is still far short of the peak shares when goods exports touched 17.2% of the GDP in 2013–14, or when services sector exports share rose to 8.9% of the GDP in 2008–09 and the total share of exports of both goods and services went up to 25.4% of the GDP in 2013–14. So, it is amply clear that despite the current surge, the share of the Indian exports sector in the GDP is still almost 5 percentage points below the peak levels clocked around a decade back.

The other reason for worry is that despite the current exports surge, the trade deficit has once again widened sharply. Numbers for 2021–22 show that the merchandise trade deficit almost doubled from \$102.6 billion in 2020–21 to \$192.2 billion in 2021–22, raising its share from 3.8% to 6.2% of the GDP. However, the surplus gained from the services trade, which partially compensates for the merchandise trade deficit, has slowly shrunk over the years, from a peak of 3.9% of the GDP to 3.1% now.

The shrinkage in trade surplus from services sector, which rose sharply after the start of the reforms in the 1990s, can be traced back to the global financial crisis that shrunk the share of the services sector exports in the GDP from a peak level of 8.9% to just 7.2% now. The dwindling share of both goods and services exports in the GDP has together shrunk the total share of the Indian exports sector in the GDP by around 5 percentage points from their peak levels of 25.4% in 2013–14 to just 20.8% now.

Consequently, the share of services sectors in the total exports, which almost doubled its share from 19.8% to 36.4% between 1990–91 and 2006–07, has largely stagnated since then and even fallen marginally to just 35.1% in 2021–22. Although the latest numbers show that the current surge has boosted the share of goods exports in the total Indian exports by 6 percentage points to 64.9% in just one year, it is still too short a period to claim that there has been any significant turnaround in the prospects of merchandise exports and that the current exports gains are sustainable.

On the contrary, the disaggregated exports numbers in fact show that the current surge in goods exports is unlikely to be sustained as it is rather narrow-based and dominated by a few goods like petroleum products (153.6%), yarn, made-ups and handlooms (55.7%), gems and jewellery (50.3%), and engineering goods (46%). Numbers indicate that though agriculture exports have risen to an all-time high of \$50 billion, the growth of exports of other important products like drugs and pharmaceuticals, rice, and tea were in single digits, while that of spices and iron ore declined. Such marked disparities in the growth of exports of major products also put a big question mark on the sustainability of the current exports surge.

However, the overall prospects of the external sector remain benign with the foreign exchange reserves still hovering around \$618 billion by the end of financial year 2021–22. This will ensure that the economy remains cushioned from any adverse trends, at least in the short run, and help maintain greater stability.

## ‘Constitutional Indians’ and the Language Question

*The Indian republic draws its cultural strength from historically evolved plurality in language practices.*

*Probal Dasgupta writes:*

**G** Kanato Chophy, a Naga intellectual, sees himself as speaking on behalf of constitutional Indians who desire a common ground with fellow citizens. “For a Naga, this common ground,” he writes, “is the idea of a modern and secular India—as the truly Ambedkar-inspired Constitution defines it—not the largely elite and Brahminical notion of a timeless Indian civilisation and tradition dating back thousands of years.” Some of us may retort that these are merely Naga desires. That retort, however, misses the point. The Indian Constitution is a wish list. Most of its goals have remained out of reach because the desires in different regions of India have not converged. If mainstream Indians fail to meet the Nagas halfway and if we do not strengthen the constitutional basis of our republic together, then the goals that look remote today will remain unattainable.

Meeting Chophy’s desires halfway does not call for a stupendous effort. All we need to do is join him as he celebrates the republic’s vital, essential diversity. In his book *Christianity and Politics in Tribal India: Baptist Missionaries and Naga Nationalism* (2021), he argues that “every region of India [has a] distinct fragrance ([associated with] regional cuisines). I find India fascinating because every state and region offers a unique experience, and every attempt to tamper with or homogenise its religions, cultures, and languages has resulted in the malodorous vapour of recent years.” By emphasising “and languages” in this quote, we flag the overlap between Chophy’s priorities and the official discourse of our custodians of the republic. But how do we address the gap between “constitutional Indians” and Delhi?

Today’s union government, just like Chophy says, wishes to turn India into a robust and vibrant republic; in this context, it flags the North East as the salient region and language as the salient domain, again echoing Chophy. The home minister highlighted the language question in his widely quoted strategic declaration at the meeting of the Official Languages Commission on 7 April: “When citizens of States who speak [languages other than Hindi] communicate with each other, it should be in the language of India [viz, Hindi].” (This lies at the heart of his strategy; recall his 2019 Hindi Divas assertion that “it is absolutely essential that the entire country has one language that becomes the identity of the nation in the world.”) In his 7 April speech, he went on to make tactical comments focusing on the North East and on promoting Hindi: “22,000 Hindi teachers have been recruited in the eight states of the North East, and nine tribal communities of the region have converted scripts of their dialects to Devanagari.” Surely, the gap between the home minister and Chophy is obvious; how should we respond?

One straightforward manoeuvre would be to point to the regional Bharatiya Janata Party (BJP) leaders from Tamil Nadu and from the north-eastern states who have addressed the local indignation by contradicting Amit Shah’s statement in various ways. But deriding such opportunism will hardly undermine the

BJP’s national project of “promoting Hindi”; the point is to unpack the scare quotes we just used.

There never has been a single “language issue” that disseminating one language throughout India could possibly solve. Ancient India pioneered multilingual strategies. Emperor Ashoka’s inscriptions were in numerous local languages. Sanskrit plays showed subalterns and elite women speaking Prakrits, in contrast to the Sanskrit default. These stylised Prakrits differed from Ashokan Prakrits and from the canonical Ardhamagadhi Prakrit and Pali. It behooves us to take up this globally unique project of self-consciously steered multilingualism where our classical forebears left off. Classical Indian multilingual practices treated literary, religious, and scientific cultivation as seriously as they did the communicative and administrative traffic. Their cultural surplus far exceeded the politically necessary minimum. Can we replicate this?

Language issues today, in the plural, certainly involve the state, which administers and regulates education. But we in a civil society immerse educators and educational material producers in our ambient discourse. Even with our backs to the wall, it is our job to keep this discourse serious and positive, learning how to connect the age-old practicality versus cultivation binary to sentiments of personal and collective dignity that move us today. Surely, we can place these threads in a conception of India as a trans-nation, as a *deshaadhik*. The constitutional affirmation of “the rich heritage of our composite culture” (Article 51[A-f]) enjoins us not only to cherish the many languages and cuisines of our constituent communities but also to improve the traffic connecting these constituents. This involves looking past the constituencies mobilised by expediency-driven political parties.

Our most serious disconnect is between knowledge production in English (for example, by a Chophy) and the local, political, and social discourse in our daily languages. Only if the expository flow is robust in the distributary languages will India’s knowledge stream in English nourish our soil. Distributaries need flows of their own; local discussion needs to articulate sub-collective self-consciousness for the flow network to become robust and sustainable. If we try to go global too quickly, we may end up pampering the Western and other spectators instead of aligning the nationwide loom of our languages with our loam first. Spectators are welcome if they can learn how not to be voyeurs.

The Hindi “issue” is a red herring. If we manage our loom and our loam sensitively, “where will the chips of Hindi fall?” is a question that will resolve itself. As for teaching the world or learning from other societies, for the moment, the motto to live by is “neither a borrower nor a lender be.” Being the only trans-nation around, we will have to find our own way forward.

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## Cultural Encirclement of Critical Thinking

Rule of law is a provision envisioned by the makers of the constitutions to morally help the state in maintaining its decent stature within the bounds of conscience. B R Ambedkar saw the promise in the state to seek relief from injustice and inequality, and hence he treated the conscience of the state as central to his constitutional thought. It is interesting to note that in recent times, there is an increasing degree of cultural and symbolic association with Ambedkar across several social and political spheres. In the Indian context, no political party can afford to miss Ambedkar at least on events that are increasingly undergoing symbolisation. However, it is also equally true that such increasing symbolic association with Ambedkar does not seem to keep pace with transformative politics and constitutional morality, which were among his core concerns. Those who seek to commemorate his contribution, use radical songs or pay respect to him through the performative act of bowing before his image and the copy of Constitution that was written with his immense contribution.

The Constitution, through its intellectual association with Ambedkar, has indeed become a symbol that at the cultural level keeps inspiring several social and political groups, with Dalits being the most prominent of them all. Such association that remains at the level of commemoration adversely impinges on his constitutional scholarship and is forgotten by the state and certain social groups who are then encouraged to develop extraconstitutional authority to be used to target certain vulnerable groups, especially Dalits and minorities.

Amongst all, it is the Dalits who are supposed to take the intellectual Ambedkar forward and defend him through the force of arguments that are already available in the text of the Constitution. Taking their cue from Ambedkar's vast arrays of thought, they, in the present context, could have asked this question—and with persistence—about the devastating performance of the bulldozer and why it is important for the executive to abide by the rule of law and procedural justice. The executive action needs to be preceded by the legal argument informed by the basic tenets of the Constitution. It is the time to say rather boldly that the language of the bulldozer does not fit into the constitutional principles for which they commemorate Ambedkar.

It is the rule of law that performs the balancing act of preventing the state from becoming privy to the recklessness caused by an unruly or lawless mob. In a constitutional law-bound society,

any extraconstitutional recklessness is expected to become the cause for moral concern to be sincerely expressed against. This does not seem to happen in the present context.

Social groups, who subscribe to Ambedkar's egalitarian project, ironically find it safe to encircle themselves in the cultural symbolism, which thereupon is taken as a sufficient "intellectual" condition for justifying their social and political presence in these turbulent times. Such encirclement that finds its relevance within the logic of symbolism understandably enables its participants to avoid the risk of asking more nudging, edgy, and critical questions that can create a crisis for those socially dominant and politically powerful forces who have no interest in defending the Constitution at the intellectual or moral level. Thus, they escape from the responsibility and need for offering publicly defensible descriptions, for example, of constitutional principles that will not allow the state as well as dominant social forces to indulge in recklessness, which now is symbolised in the language of bulldozer.

Going beyond the politics of symbolism of statues and images and asking more nudging questions do not seem to work to the political advantage of neither the state nor the regressive social forces. Because doing so would force them to do some intellectual homework or at least to make preliminary readings of basic tenets of the Constitution in order to defend the executive and their administrative practices in light of the overarching constitutional principles. The destructive language of the bulldozer does suggest that the state action and the action of other anomic social groups do not follow from the constitutional ideas but instead its recklessness emanates from extraconstitutional considerations.

Arguably, those who celebrate Ambedkar for his contribution to constitutionalism need such intellectual homework perhaps more than those who only hold rhetorical importance of the Indian Constitution. It is intellectual intervention that can creatively and cautiously bind together both the cultural and the political in an enabling way. Any disruption of this bind is reflected in the paradox or irony that is characterised by an act of voting for the party that blatantly undermines the Constitution and yet is singing the songs of Ambedkar. Thus, while celebrating Ambedkar as the harbinger of the constitutional state, it is time for the masses to move from empty or fetishist symbolism to the active, productive, and argumentative Ambedkar.

*Gopalbhanu*

FROM 50 YEARS AGO

### ECONOMIC AND POLITICAL WEEKLY

VOL VII, NO 17

APRIL 22, 1972

#### Housing Problem of a Growing Metropolis

*Mahesh Bhatt*

One of the most important problems attendant to urbanisation concerns housing and slums. Housing ranks next to food in human life. For most families the sort of home they live in affects their happiness

far more intimately than does almost anything else in their physical environment. Moreover, housing accommodation plays an important part in maintaining the health and efficiency of the community. Investment in housing is therefore productive investment in human capital. [...]

The importance of housing in a country like India, which is facing a sharp population growth and a rapid pace of urbanisation resulting in slums and sky-rocketing rents in urban areas, is quite obvious.

According to the Housing Census in Gujarat, in which house lists have been prepared from August to October, 1960, altogether 54.37 lakh houses

have been listed in Gujarat; of these, 73 per cent are in the rural areas and 27 per cent in the urban areas. Excluding 6 lakh vacant houses, there are in all 48.33 lakh occupied houses. All these houses are not surely residential ones. Broadly, 38.71 lakh of the 48.33 lakh houses (80 per cent) are classified as residential houses (dwellings) and the rest as non-residential (non-dwelling). Of the 1,000 census households surveyed in the state, 601 occupy single-room tenements, 274 two-room, 70 three-room (or more) tenements. "This means that as many as 88 per cent of population live in overcrowded and substandard dwellings."

# Backward Class Reservation in Local Bodies

ALOK PRASANNA KUMAR

The 73rd and 74th constitutional amendments have failed on multiple fronts due to a combination of poor drafting and unclear intent. The current impasse over the implementation of reservations for “backward classes” in panchayati raj institutions and urban local bodies is a result of poor drafting of these amendments and unclear policy objectives. The impasse threatens the future of grassroots democracy in India by putting on hold the local body elections for indefinite periods of time and can only be addressed through a constitutional amendment.

In the recently concluded budget session of Parliament, Rajya Sabha member P Wilson highlighted a “constitutional deadlock” that had taken place when it came to the reservations of seats for “backward classes” in local bodies. The states such as Karnataka and Maharashtra have not held elections for local bodies since they have not been able to comply with the “triple test” laid down by the Supreme Court for such reservations. This suggested that the caste data collected in the Socio Economic and Caste Census (SECC), 2011 necessary for states to fulfil the criteria laid down by the Supreme Court, was available with the union government and should be released to break this constitutional deadlock (*News Minute* 2022).

While Wilson’s concern about the stalled elections is valid as the impasse damages the grassroots democracy in India, the solution may not necessarily lie in the release of the SECC data. Rather, as I argue in this column, the constitutional provisions related to reservations for “backward classes” in the local bodies are poorly drafted and need to be rectified by a constitutional amendment. While courts have attempted to partially address the problem through interpretation, they are trying to guess what the reservation provisions were trying to do and do not offer sufficient clarity to states on how to implement reservations for the backward classes.

After discussing the constitutional provisions and their judicial interpretations, the source of deadlock is identified and the solution of constitutional amendment suggested.

## Reservations in Local Bodies

The Constitution (73rd and 74th Amendments) Act, 1992 were intended to address (among other things) the inadequate

representation of the Scheduled Castes (SCs), Scheduled Tribes (STs), and women in panchayati raj institutions (PRIs) and urban local bodies (ULBs). This was done through the insertion of Article 243-U in the context of PRIs and Article 243-T in the context of ULBs. Both articles are more or less identical in their structure insofar as they provide reservations in positions at PRIs and ULBs to the members of the SC and ST communities as well as women. However, somewhat out of the blue, clause (6) in both the articles provides that the state may reserve seats for “backward class of citizens.” This clause arrives unexpectedly, since the statement of objects and reasons for either amendment makes no mention of reservations for “backward classes,” though it explicitly mentions reservations for other communities mentioned in the articles.

The term “backward classes” used here is the source of confusion. The problem becomes clear when this clause is compared with Articles 15(4) and 16(4), which provide for reservations in education and employment, respectively. While similarly structured (they are all clauses aimed at enabling reservations), one key difference is obvious—the criteria for identifying the backward classes for the purpose of reservations are being outlined in the clause itself. In the context of Article 15(4), classes have to be “socially and educationally backward,” whereas in Article 16(4) such “backward class” has to be “[in]adequately represented in the services under the State.” No such qualifier is present in Articles 243-D(6) and 243-T(6).

This distinction is important since the category of “backward classes” is not uniform nationwide. Unlike the SCs and STs who are identified at the union level through a constitutional mechanism,<sup>1</sup> there was no constitutional mechanism for the identification of “socially and educationally backward classes” until the introduction of Article 342A by the Constitution (102nd Amendment) Act, 2019. This was intended only to apply to the preparation of a list of such

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classes for the purpose of reservation at the union level and did not per se interfere with the states' power to identify the backward classes for reservations at the state level. While the judgment in *Indra Sawhney v Union of India and Ors* (1992) has laid down certain criteria as to how "socially and educationally backward classes" may be identified for the purpose of reservations, this is only an expansion of the principle laid down in clauses (4) of both Articles 15 and 16, respectively. From a plain reading of either Articles 243-D(6) and 243-T(6), it is therefore not clear how the "backward class of citizens" ought to be identified to grant them the benefit of reservations.

### Judicial Interpretation

A constitution bench of the Supreme Court interpreted Articles 243-D(6) and 243-T(6) in *K Krishna Murthy & Ors v Union of India* (2010) where the two clauses were challenged as being contrary to the basic structure of the Constitution. While upholding the two clauses, the then Chief Justice of India K G Balakrishnan also attempted to clarify the scope of these clauses. His judgment, on behalf of the bench, did note the unclear wording of clause (6). Specifically:

Admittedly, Articles 243-D(6) and 243-T(6) do not provide guidance on how to identify

the backward classes and neither do they specify any principle for the quantum of such reservations. Instead, discretion has been conferred on state Legislatures to design and confer reservation benefits in favour of the backward classes. It is, but natural that, questions will arise in respect of the exercise of discretionary power.<sup>2</sup>

While saying so, the Court agreed with the argument that reservation in local self-government is distinct from that in educational institutions and employment, and a mechanical application of the interpretation of Articles 15(4) and 16(4) to Articles 243-D(6) and 243-T(6) could not be done.<sup>3</sup> While rejecting the "creamy layer" test from *Indra Sawhney v Union of India*, it did import the 50% cap on reservations applied in the context of reservations under Articles 15(4) and 16(4). As regards the criteria as to which classes would be "backward," the Court leaves it to the states to carry out a "rigorous investigation" into the barriers to political participation for such communities. Given that the case only concerned the constitutional validity of Articles 243-D(6) and 243-T(6), the Court did not go into the specific state legislation.

A decade later, in *Vikas Kishanrao Gawali v the State of Maharashtra* (2021) the Court subjected the law, providing for reservation of seats in PRIs, that is, the Reservation Notifications under the

Maharashtra Zilla Parishads and Panchayat Samitis Act, 1961 to the judgment in Krishna Murthy and struck down the reservations for backward classes in the state as unconstitutional. In *Gawali*,<sup>4</sup> the Court distilled a "triple test" out of the judgment in Krishna Murthy, requiring the state to

- (1) set up a commission to identify the backwardness, in terms of political participation,
- (2) have the commission determine the extent of reservation in local bodies, and
- (3) limit the reservation to 50% of the positions in the local bodies.

Finding that the Reservation Notifications under the Maharashtra Zilla Parishads and Panchayat Samitis Act, 1961 fulfilled none of these three, the Court struck it down.

Given the poor drafting, the Court's interpretation of Articles 243-D(6) and 243-T(6) in Krishna Murthy is, at best, an educated guess; yet in *Vikas Gawali*, the Court insists that the states should hold to the full rigour, the best guess of the Court, how they determine the backward classes and the quantum of reservations. The states' attempts to overcome *Vikas Gawali* through ordinances have come to a cropper in Court, and as matters stand, the states are unsure how they ought to identify backward classes for the purpose of reservations under Articles 246-D(6) and 246-T(6), and

## WORK at the EPW

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elections to the local bodies have stalled as a result (Anand 2022).

## Conclusions

The Court's concerns about the nature and quantum of political reservations in Krishna Murthy and Vikas Gawali are not entirely unfounded. A "backward caste" (with adequate representation educationally or employment-wise) enjoying disproportionate representation in political bodies is not unprecedented or unimaginable. In states such as Karnataka and Haryana, it is a reality (Hariss 1999). Reservation in political bodies cannot look to further entrench the power of already well-represented castes. Rather, it should look to enhance the representation of the otherwise under-represented groups who are also educationally and socially deprived.

Attempted compliance with the Supreme Court's ruling may cause further uncertainty as each state looks to set up its own commission that might interpret the requirements of the Krishna Murthy and Gawali judgments in their own way. This will lead to additional litigation and further confusion about the law, causing more delay in the conduct of local body elections.

Given the importance of local body elections in strengthening the grass-roots democracy in India, such confusion and delay would only weaken these institutions. While the union government should release the data from the SECC, 2011, it will not suffice in addressing the problem. The core of the problem remains the unclear intent and bad drafting of Articles 243-D(6) and 243-T(6). The term "backward class" needs to be qualified precisely. If the intent is to give representation to politically under-represented backward classes, two key amendments will be needed—one, to qualify "backward classes" as "socially and educationally backward," and two, to limit the reservations only to such backward classes whose representation in local bodies has been less than their proportion in the total population.

Such an amendment serves a few purposes: (i) states need not undertake a fresh survey to identify backward

classes; (ii) it will exclude socially and educationally backward castes that are already well-represented in the local bodies, at or beyond the proportion of their population in the state; and (iii) it will provide an objective criterion to fix the percentage of reservation for such backward classes.

If any study is undertaken by a commission, it will only determine the proportion of the existing backward castes in the population and their representation in the local bodies. Such an exercise does not even require a nationwide caste census and can be carried out periodically by the state government itself with a view to fine-tuning the reservations for the backward castes.

We have seen in the recent past that the union government has been able to get consensus from all political parties to make amendments to the Constitution to address the problems arising out of the faulty interpretation of the Constitution by the Court in the context of reservations of the "Other Backward Classes."<sup>5</sup> The impasse over local body elections affecting multiple states serves no one—a workable solution that will not give rise to further litigation is necessary, and one hopes that the

fundamental defects in Articles 243-D(6) and 243-T(6) are addressed forthwith.

## NOTES

- Articles 341 and 342, respectively.
- Krishna Murthy, para 58.
- Krishna Murthy, para 51.
- Gawali, para 13.
- For instance, the Constitution (105th Amendment) Act, 2021 was passed to overcome the judgment of a constitution bench of the Supreme Court in *Jaishri Laxmanrao Patil v Union of India* (2021) 2 SCC 785 in the context of the interpretation of the powers of the state governments to identify socially and educationally backward classes.

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# On the Adequacy of the Quarterly Periodic Labour Force Survey

## What Do the Latest Estimates Reveal?

G C MANNA

This article examines the difference between the estimates of unemployment rate and worker population ratio in urban areas in the Periodic Labour Force Surveys for the quarters ending March and June 2021. It further investigates the sample size needed if the survey is to be equipped to detect the quarterly changes of specified magnitudes in the respective population parameter.

To meet the growing demand for employment–unemployment statistics at more frequent intervals, the National Statistical Office (NSO) in the Ministry of Statistics and Programme Implementation, Government of India, launched the Periodic Labour Force Survey (PLFS) in April 2017. It is the primary source of data on the employment–unemployment situation in the country. For the benefit of various types of data users, including the government and other organisations, apart from making available the unit-level data based on the survey, the NSO has been bringing out annual estimates of detailed statistics on employment–unemployment covering both rural and urban areas of the country in the form of annual reports<sup>1</sup> and quarterly estimates of only key indicators of employment–unemployment, namely labour force participation rate (LFPR), worker population ratio (WPR), and unemployment rate (UR) pertaining to urban areas as per the current weekly status (CWS) approach through “Quarterly Bulletins.”<sup>2</sup> The latest quarterly estimates of LFPR, WPR, and UR for major states and all India relate to the quarter ending June 2021 released on 14 March 2022.

As regards the broad sample design of the PLFS, it adopts a stratified multistage design with first stage units (FSUs) being 2011 Census villages (panchayat wards in the case of Kerala) in rural areas and the latest urban frame survey blocks in urban areas, while the ultimate stage units (USUs) are the households. For the purpose of sampling of FSUs in the case of both rural and urban areas, each National Sample Survey (NSS) region (being a group of contiguous districts) is treated as a separate broad stratum. Due care is taken by way of further deep stratification to

ensure representation of FSUs belonging to different population size classes of villages/towns, with each city having a population of 1.5 million or more as per Census 2011 being treated as a separate stratum by itself. The “large” FSUs with present population exceeding a certain threshold are stratified into a number of segments and a sample of two segments is considered for listing and sampling of households. From each selected FSU, a sample of eight households is selected randomly after stratifying the listed households into a number of second stage strata (three in the case of rural and four in the case of urban) as per the number of members in the household having the level of general education as secondary or above.

A distinguishing feature of the PLFS is the use of rotational sampling design in the case of urban areas with 75% of the sample FSUs being common between two consecutive quarters. A given set of urban FSUs remains in the panel for four consecutive quarters only and then it disappears. Each selected household in urban areas is visited four times, with first visit schedule canvassed in the beginning, followed by three subsequent visits during the next three quarters where revisit schedule is canvassed. The PLFS covers around 44,000 urban sample households spread across 5,600-odd urban sample survey blocks in each quarter at the all-India level.

This article analyses (i) whether the observed difference (increase or decline) in the urban UR and WPR between the estimates of the quarters ending March and June 2021 is “statistically significant” (meaning thereby that there is a high probability of similar change in the population parameter), and (ii) what could be the likely repercussion on the existing sample size, keeping other features of sample design unchanged, for detection of actual quarterly change of specified magnitude in the population parameter. This analysis is confined to persons (that is, male and female combined) aged 15 years and above for all India and 22 states for which results are made available by the NSO through “Quarterly Bulletins.” Most of the figures used in this analysis

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have been accessed from the “Quarterly Bulletin,” April–June 2021. The rest of the article is organised as follows: first, the article summarises the trend in the latest quarterly estimates of UR and WPR; then

it focuses on the observed differences in the state-level estimates of UR and WPR between the last two quarters and examines whether the observed differences are statistically significant or not; the

later pages are devoted to the discussion on minimum sample size required in relation to the present sample size so that the survey is capable of detecting quarterly changes of specified magnitudes in the respective population parameters; and finally the article concludes.

**Table 1: Trends in Unemployment Rate and Quarterly Changes during the Last Four Quarters**

State	UR (%)				Observed Absolute Change in UR between Two Consecutive Quarters (%)			Average Absolute Change per Quarter (%)
	Q1	Q2	Q3	Q4	(1,2)	(2,3)	(3,4)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
India	13.2	10.3	9.3	12.6	2.9	1.0	3.3	2.4
Andhra Pradesh	13.9	9.3	7.2	9.2	4.6	2.1	2.0	2.9
Assam	9.9	8.5	9.2	9.1	1.4	0.7	0.1	0.7
Bihar	11.1	8.9	8.0	9.6	2.2	0.9	1.6	1.6
Chhattisgarh	15.4	14.5	11.6	19.0	0.9	2.9	7.4	3.7
Delhi	12.0	8.0	8.1	8.0	4.0	0.1	0.1	1.4
Gujarat	4.5	4.0	3.8	5.5	0.5	0.2	1.7	0.8
Haryana	9.9	11.7	10.2	11.9	1.8	1.5	1.7	1.7
Himachal Pradesh	8.6	7.5	7.8	9.6	1.1	0.3	1.8	1.1
Jammu and Kashmir	17.3	17.7	17.6	17.6	0.4	0.1	0.0	0.2
Jharkhand	19.8	16.0	11.4	17.9	3.8	4.6	6.5	5.0
Karnataka	7.4	7.0	6.7	8.1	0.4	0.3	1.4	0.7
Kerala	18.9	16.7	14.2	24.4	2.2	2.5	10.2	5.0
Madhya Pradesh	14.9	11.3	9.8	17.1	3.6	1.5	7.3	4.1
Maharashtra	22.6	13.6	12.4	13.8	9.0	1.2	1.4	3.9
Odisha	16.5	15.1	13.7	14.3	1.4	1.4	0.6	1.1
Punjab	10.8	9.2	7.6	8.1	1.6	1.6	0.5	1.2
Rajasthan	15.0	12.7	12.6	16.4	2.3	0.1	3.8	2.1
Tamil Nadu	10.3	8.9	9.0	15.9	1.4	0.1	6.9	2.8
Telangana	15.4	10.6	10.6	12.9	4.8	0.0	2.3	2.4
Uttarakhand	10.9	11.6	14.3	17.0	0.7	2.7	2.7	2.0
Uttar Pradesh	13.3	11.2	10.7	12.3	2.1	0.5	1.6	1.4
West Bengal	10.7	6.7	4.8	10.1	4.0	1.9	5.3	3.7

(Q1: July–September 2020; Q2: October–December 2020; Q3: January–March 2021; Q4: April–June 2021).

Source: “Quarterly Bulletin,” April–June 2021, NSO.

**Table 2: Trend in Worker Participation Rate and Quarterly Change during the Last Four Quarters**

State	WPR (%)				Observed Absolute Change in WPR between Two Consecutive Quarters (%)			Average Absolute Change per Quarter (%)
	Q1	Q2	Q3	Q4	(1,2)	(2,3)	(3,4)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
India	40.9	42.4	43.1	40.9	1.5	0.7	2.2	1.5
Andhra Pradesh	41.5	44.5	47.1	45.9	3.0	2.6	1.2	2.3
Assam	40.5	40.1	42.7	43.7	0.4	2.6	1.0	1.3
Bihar	34.8	35.9	34.9	34.7	1.1	1.0	0.2	0.8
Chhattisgarh	40.1	40.9	42.1	36.3	0.8	1.2	5.8	2.6
Delhi	38.8	40.5	40.9	41.3	1.7	0.4	0.4	0.8
Gujarat	46.0	46.4	47.8	45.9	0.4	1.4	1.9	1.2
Haryana	41.6	40.9	40.4	39.1	0.7	0.5	1.3	0.8
Himachal Pradesh	52.7	49.9	50.3	47.7	2.8	0.4	2.6	1.9
Jammu and Kashmir	40.5	39.6	40.6	39.3	0.9	1.0	1.3	1.1
Jharkhand	34.5	36.2	38.6	34.9	1.7	2.4	3.7	2.6
Karnataka	45.5	45.5	46.2	44.7	0.0	0.7	1.5	0.7
Kerala	36.2	37.1	37.9	33.5	0.9	0.8	4.4	2.0
Madhya Pradesh	40.0	42.0	42.1	38.6	2.0	0.1	3.5	1.9
Maharashtra	37.2	36.9	42.0	40.6	0.3	5.1	1.4	2.3
Odisha	39.7	37.4	39.1	39.2	2.3	1.7	0.1	1.4
Punjab	41.9	44.5	45.6	45.1	2.6	1.1	0.5	1.4
Rajasthan	36.6	38.2	38.8	36.3	1.6	0.6	2.5	1.6
Tamil Nadu	46.4	47.4	47.4	42.9	1.0	0.0	4.5	1.8
Telangana	42.7	45.5	45.8	44.0	2.8	0.3	1.8	1.6
Uttarakhand	41.9	40.8	37.9	37.9	1.1	2.9	0.0	1.3
Uttar Pradesh	38.1	39.0	39.3	37.3	0.9	0.3	2.0	1.1
West Bengal	43.7	45.8	46.4	43.0	2.1	0.6	3.4	2.0

(Q1: July–September 2020; Q2: October–December 2020; Q3: January–March 2021; Q4: April–June 2021).

Source: “Quarterly Bulletin,” April–June 2021, NSO.

## Trends in Quarterly Estimates

The article studies the trend in UR and WPR by considering the estimates pertaining to last four quarters ending September 2020 (Q1), December 2020 (Q2), March 2021 (Q3), and June 2021 (Q4). The study consciously ignores the estimates relating to the immediate previous quarter ending June 2020 since the estimates for the concerned period got affected more adversely due to the effect of the lockdown on employment–unemployment situation in the country. At the all-India level (Table 1), UR among the persons aged 15 years and above is found to vary between 9.3% (Q3) and 13.2% (Q1) with an apparent increase in UR by about 3.3 percentage point in Q4 as compared to Q3. Like the all-India numbers, those for most of the states also show an increase in UR during Q4 as compared to the previous quarter. However, in relation to Q1, although the country shows an apparent decline in UR by about 0.6 percentage point, 50% of the states show an increase in UR during the period. WPR seems to have remained at the same level (40.9%) in Q4 as it was in Q1 (Table 2) for all India, although there is a decline in WPR by 2.2 percentage points in Q4 as compared to Q3. A majority of the states also show an apparent decline in WPR during Q4 as compared to the previous quarter.

## Observed Difference and Its Statistical Significance

Apart from the level, that is, point estimates of UR and WPR, Tables 1 and 2 also show the observed absolute change/difference in the concerned indicators between two consecutive quarters at the state level and also for the country as a whole. The next interesting question is whether the observed differences between the two consecutive quarters are “statistically significant” or not. In case they are so, it is likely that there is a similar change in the universe, that is, in the population parameter with a high

pre-specified probability. On the contrary, if the observed difference is found to be not statistically significant, such an observed change might possibly be due to sampling

errors associated with the estimates and apparently the survey has not been in a position to detect such a change that might have taken place in the population. For

simplicity, the study analyses this by considering the latest two quarters.

For either of UR or WPR, let  $\hat{Y}_t$  and  $\hat{Y}_{t-1}$  respectively denote the estimators for the two quarters  $t$  and  $t-1$  where  $t$  and  $t-1$  stand for quarter ending March and June 2021, respectively. One may note that the values of  $\hat{Y}_t$  and  $\hat{Y}_{t-1}$  are likely to change in the composition of sample units. In other words, both these estimators follow some sampling distribution and, thus, for a more meaningful inference about the change in the population parameter, instead of simply looking at the change in the point estimates between two time points, one may compute the confidence interval (ci)—with lower bound (cl) and upper bound (cu) associated with each of the point estimates—within which the true value, that is, population parameter is likely to lie with a pre-specified probability.

The estimates derive 95% ci for both the time points. In case there is no overlap between the two cis, the observed difference (increase or decline) between the two-point estimates is statistically significant and it is not statistically significant if there is an overlap. Values of cl and cu are computed as follows:

$$CL = y(1 - 1.96r)$$

$$CU = y(1 + 1.96r)$$

where  $y$  and  $r$  respectively denote the value of the point estimate of UR or WPR (as the case might be) and “relative standard error” (RSE) associated with the estimate. The article has taken the values of  $y$  and  $r$  from the “Quarterly Bulletin” for April–June 2021.

While in Table 3 the article presents the point estimates for the latest two quarters (Q3 and Q4) as well as corresponding estimates of cl and cu in respect of UR, similar information in respect of WPR is presented in Table 4. Major findings are summarised in Table 5. As far as the all India

**Table 3: Point Estimates of Unemployment Rate and Corresponding Confidence Limits**

State	UR (%)		Confidence Limits: Q3		Confidence Limits: Q4		Remark
	Q3	Q4	CL (%)	CU (%)	CL (%)	CU (%)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
India	9.3	12.6	8.9	9.7	12.1	13.1	S
Andhra Pradesh	7.2	9.2	5.6	8.8	8.0	10.4	NS
Assam	9.2	9.1	6.8	11.6	7.6	10.6	NS
Bihar	8.0	9.6	6.2	9.8	5.7	13.5	NS
Chhattisgarh	11.6	19.0	6.2	17.0	15.8	22.2	NS
Delhi	8.1	8.0	5.3	10.9	6.0	10.0	NS
Gujarat	3.8	5.5	3.0	4.6	3.3	7.7	NS
Haryana	10.2	11.9	7.4	13.0	9.5	14.3	NS
Himachal Pradesh	7.8	9.6	5.5	10.1	3.9	15.3	NS
Jammu and Kashmir	17.6	17.6	16.4	18.8	16.0	19.2	NS
Jharkhand	11.4	17.9	10.1	12.7	15.5	20.3	S
Karnataka	6.7	8.1	3.2	10.2	6.1	10.1	NS
Kerala	14.2	24.4	12.4	16.0	22.7	26.1	S
Madhya Pradesh	9.8	17.1	8.7	10.9	14.5	19.7	S
Maharashtra	12.4	13.8	10.8	14.0	12.2	15.4	NS
Odisha	13.7	14.3	9.0	18.4	11.9	16.7	NS
Punjab	7.6	8.1	5.5	9.7	6.5	9.7	NS
Rajasthan	12.6	16.4	11.3	13.9	15.2	17.6	S
Tamil Nadu	9.0	15.9	8.1	9.9	13.8	18.0	S
Telangana	10.6	12.9	8.6	12.6	10.6	15.2	NS
Uttarakhand	14.3	17.0	12.6	16.0	12.4	21.6	NS
Uttar Pradesh	10.7	12.3	9.0	12.4	10.6	14.0	NS
West Bengal	4.8	10.1	4.2	5.4	8.8	11.4	S

S: Observed difference statistically significant; NS: Observed difference not statistically significant.

(Q1: July–September 2020; Q2: October–December 2020; Q3: January–March 2021; Q4: April–June 2021).

Source: “Quarterly Bulletin,” April–June 2021, NSO.

**Table 4: Point Estimates of Worker Participation Rate and Corresponding Confidence Limits**

State	WPR (%)		Confidence Limits: Q3		Confidence Limits: Q4		Remark
	Q3	Q4	CL (%)	CU (%)	CL (%)	CU (%)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
India	43.1	40.9	42.8	43.4	40.5	41.3	S
Andhra Pradesh	47.1	45.9	45.5	48.7	44.7	47.1	NS
Assam	42.7	43.7	39.8	45.6	41.9	45.5	NS
Bihar	34.9	34.7	33.6	36.2	33.7	35.7	NS
Chhattisgarh	42.1	36.3	37.5	46.7	33.5	39.1	NS
Delhi	40.9	41.3	37.9	43.9	38.7	43.9	NS
Gujarat	47.8	45.9	46.0	49.6	43.7	48.1	NS
Haryana	40.4	39.1	37.9	42.9	37.2	41.0	NS
Himachal Pradesh	50.3	47.7	47.5	53.1	43.1	52.3	NS
Jammu and Kashmir	40.6	39.3	39.7	41.5	38.4	40.2	NS
Jharkhand	38.6	34.9	36.6	40.6	33.1	36.7	NS
Karnataka	46.2	44.7	44.6	47.8	43.7	45.7	NS
Kerala	37.9	33.5	37.0	38.8	32.5	34.5	S
Madhya Pradesh	42.1	38.6	41.0	43.2	36.6	40.6	S
Maharashtra	42.0	40.6	40.8	43.2	39.4	41.8	NS
Odisha	39.1	39.2	34.6	43.6	35.7	42.7	NS
Punjab	45.6	45.1	44.3	46.9	43.2	47.0	NS
Rajasthan	38.8	36.3	37.7	39.9	35.2	37.4	S
Tamil Nadu	47.4	42.9	46.3	48.5	41.3	44.5	S
Telangana	45.8	44.0	44.1	47.5	42.5	45.5	NS
Uttarakhand	37.9	37.9	34.8	41.0	33.4	42.4	NS
Uttar Pradesh	39.3	37.3	38.2	40.4	35.9	38.7	NS
West Bengal	46.4	43.0	44.5	48.3	41.9	44.1	S

S: Observed difference statistically significant; NS: Observed difference not statistically significant.

(Q1: July–September 2020; Q2: October–December 2020; Q3: January–March 2021; Q4: April–June 2021).

Source: “Quarterly Bulletin,” April–June 2021, NSO.

**Table 5: Comparison of Change in Unemployment Rate and Worker Participation Rate in the Last Two Quarters Based on Point Estimates vis-à-vis Confidence Interval**

Status of Change	Number of States				
	UR		WPR		
(1)	PE (2)	CI (3)	PE (4)	CI (5)	
Increase	19	6 (NS: 13)	3		NS: 3
Decline	2	NS: 2	18	5 (NS: 13)	
No change	1	NS: 1	1		NS: 1

NS: Observed difference not statistically significant.

Source: Compiled by the author.

position is concerned, point estimates (PE) show an increase in UR and a decline in WPR in the latest quarter as compared to the previous quarter and the study based on the CIs also reveals the same. However, interestingly enough, the article gets a mixed result in the case of state-level estimates. In respect of UR, point estimates tend to show an apparent “increase” in UR in 19 out of 22 states, although the analysis based on the CI shows such a clear increase only in six states. As regards WPR, CI-based analysis suggests a clear decline only in five states instead of 18 states for which an apparent “decline” in the WPR is noticed based on the point estimates.

**Sample Size Requirement**

Since, for the majority of the states the observed differences in UR and WPR between the last two quarters are found to be not statistically significant, which does not necessarily mean that there is no change in the population parameter during the period under reference, the next interesting question is, what should be the minimum sample size ( $n_o$ ) if PLFS needs to be equipped to detect quarterly change of a specified magnitude ( $\Delta$ ) in

the said labour force parameters in the population? The article works out the same based on three different values of  $\Delta$  as 1%, 2%, and 3% decided by considering the magnitude of quarterly changes in state-level estimates frequently observed. It is important to mention in this context that for most of the states, the average absolute change per quarter in UR and WPR varies between 1% and 3% as may be seen from the last column of Tables 1 and 2.

For the purpose of determination of the minimum sample size requirement, the article denotes the current value of the level parameter (that is, point estimate of UR or WPR, without percentage) as  $p_1$  which the study assumes to be the simple average of the point estimates of the latest four quarters, that is, Q1 to Q4. Accordingly, the value for the subsequent quarter is taken as  $p_2 = p_1 + \Delta$ . The article derives  $n_o$  by solving the condition that the two respective 95% CIs do not overlap. In other words, CI associated with  $p_1$  is less than or equal to CI associated with  $p_2$ , that is,

$$p_1 + 1.96 \sqrt{\frac{Dp_1q_1}{n}} \leq p_2 - 1.96 \sqrt{\frac{Dp_2q_2}{n}}$$

where  $D$  is the “Design Effect” of the survey,<sup>3</sup>  $n$  denotes the sample size corresponding to the denominator in respect of the proportion of interest (that is, UR or WPR as the case might be),  $q_1 = 1 - p_1$  and  $q_2 = 1 - p_2$ .

A little mathematical derivation leads to the following:

$$n_o = \frac{(1.96)^2}{\Delta^2} D(\sqrt{p_1 \cdot q_1} + \sqrt{p_2 \cdot q_2})^2$$

Usually,  $D$  is found to be greater than 1 in the case of multistage design as is the case with the PLFS, and the article finds the estimate of  $D$  for all India to be about 2.3 based on the latest available results of the PLFS. Considering a modest (lower) value of  $D = 2$ , the findings on sample size requirement ( $n_o$ ) in relation to the present sample size in the PLFS ( $n$ ) are highlighted in Table 6. It is of interest to note that the article gets broadly similar results in respect of both UR and WPR. Results do not change much if  $p_2$  is taken as  $(p_1 - \Delta)$ . As expected, higher the value of  $\Delta$ , lower is the sample size requirement. Note that even with  $\Delta$  to be as high as 3% (average absolute quarterly change being found to be much lower for majority of the states and all India as cited in Tables 1 and 2), many states require the augmentation of sample size to detect changes in the quarterly labour force parameters.

**Concluding Remarks**

The PLFS is an important source of information on the employment–unemployment situation in the country. Apart from studying the recent quarterly trend in UR and WPR for the urban areas in respect of the country as a whole and at the state level, the article examines whether the observed differences in the above indicators between the latest two quarters ending March and June 2021 are statistically significant or not and what is its likely implication on the sample size if the survey needs to be equipped to detect such quarterly changes. It is concluded that so far as the all-India estimate is concerned, the observed difference is statistically significant and the all-India sample size is more than adequate to detect quarterly changes in the above indicators. However, the situation is quite different in relation to the state-level estimates where for most of the states the observed differences are found to be

**Table 6: Sample Size Requirement in Relation to the Present Sample Size**

State	n	UR (%) (p1)	Ratio: $n_o/n$ for $\Delta$ as			WPR (%) (p1)	Ratio: $n_o/n$ for $\Delta$ as		
			1%	2%	3%		1%	2%	3%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
India	1,35,060	11.4	0.5	0.1	0.1	41.8	0.6	0.1	0.1
Andhra Pradesh	5,055	9.9	11.2	2.9	1.3	44.8	15.1	3.8	1.7
Assam	2,690	9.2	20.7	5.4	2.5	41.8	27.9	7.0	3.1
Bihar	4,421	9.4	16.1	4.2	1.9	35.1	15.9	4.0	1.8
Chhattisgarh	2,692	15.1	33.6	8.6	3.9	39.9	27.5	6.9	3.1
Delhi	2,436	9.0	24.2	6.3	2.9	40.4	30.5	7.6	3.4
Gujarat	5,847	4.5	5.1	1.4	0.7	46.5	13.1	3.3	1.5
Haryana	3,849	10.9	18.2	4.7	2.2	40.5	19.3	4.8	2.2
Himachal Pradesh	889	8.4	52.9	13.9	6.4	50.2	86.4	21.6	9.6
Jammu and Kashmir	4,642	17.6	20.5	5.2	2.4	40.0	16.0	4.0	1.8
Jharkhand	3,319	16.3	30.3	7.8	3.5	36.1	21.5	5.4	2.4
Karnataka	6,555	7.3	6.9	1.8	0.9	45.5	11.6	2.9	1.3
Kerala	7,099	18.6	15.1	3.8	1.7	36.2	10.1	2.5	1.1
Madhya Pradesh	6,472	13.3	12.1	3.1	1.4	40.7	11.5	2.9	1.3
Maharashtra	11,411	15.6	7.7	2.0	0.9	39.2	6.4	1.6	0.7
Odisha	3,093	14.9	28.3	7.2	3.3	38.9	23.7	6.0	2.7
Punjab	4,697	8.9	11.4	3.0	1.4	44.3	16.2	4.1	1.8
Rajasthan	5,818	14.2	15.2	3.9	1.8	37.5	12.4	3.1	1.4
Tamil Nadu	9,540	11.0	6.4	1.7	0.8	46.0	8.0	2.0	0.9
Telangana	4,350	12.4	15.7	4.0	1.8	44.5	17.5	4.4	1.9
Uttarakhand	2,214	13.5	36.5	9.4	4.3	39.6	33.3	8.4	3.7
Uttar Pradesh	10,867	11.9	7.2	1.9	0.9	38.4	6.7	1.7	0.8
West Bengal	8,248	8.1	6.1	1.6	0.7	44.7	9.2	2.3	1.0

(n: Number of persons aged 15 years and above surveyed during April–June 2021).  
 (Q1: July–September 2020; Q2: October–December 2020); Q3: January–March 2021; Q4: April–June 2021).  
 Source: “Quarterly Bulletin,” April–June 2021, NSO.

not statistically significant and the state-level sample size requires augmentation for detection of quarterly changes in the respective population parameters.

## NOTES

<sup>1</sup> The latest annual report relates to the survey period of July 2019–June 2020.

- <sup>2</sup> The latest being “Quarterly Bulletin,” April–June 2021.
- <sup>3</sup> The design effect “D” with respect to an estimator is defined as the ratio of the variance of the estimator under a sampling procedure adopted in the survey to the variance of the same estimator based on simple random sampling with replacement sampling design of the same sample size.

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# Equity Stake of Government in Vodafone

## Perils and Alternatives

MAHESH UPPAL, VIKAS KATHURIA

Vodafone Idea, a key telecom player in India, risks closure thanks to its massive commercial debt and the substantial levies and penalties it owes to the government. Its exit would weaken competition and hurt exchequer revenues. The government has offered to accept equity in Vodafone Idea as part payment to mitigate this risk. With its existing equity in BSNL/MTNL, the government faces a serious conflict of interest through ownership in competing companies. Merging these companies would help them and promote policy objectives better.

The authors thank Naveen Santoshi and Kumar Rahul for the helpful discussions. All errors that remain are the sole responsibility of the authors.

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This article analyses the option given to telecom service providers (TSPs) as part of the government’s reform package, announced in September 2021, where the TSPs can turn the interest on their existing liability into equity shares to the government. The government realises the need to preserve competition in the Indian telecommunications sector that witnesses an impending concentration due to wrong policies.<sup>1</sup> While the government has finally woken up to the imperative of ensuring optimal competition in this growing market, the suggested solution merits scrutiny in terms of its actual effects on the industry.

### The Background

The Indian telecommunications sector is going through a crisis. The adjusted gross revenue (AGR) judgment in 2019<sup>2</sup> added to the woes of the highly indebted telecom sector. The worst-hit of all TSPs was Vodafone Idea, with an estimated additional burden of ₹58,000 crore, raising its total liabilities to roughly 2 lakh crore.<sup>3</sup> Without any policy intervention, Vodafone Idea stared at an impending exit from the Indian market. This exit would turn the telecom sector into an Airtel–Jio duopoly with the government-controlled companies Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) on the fringe, given their already precarious financial health.<sup>4</sup> This resulting concentration would adversely affect welfare.<sup>5</sup> Ensuring Vodafone’s viability

was also necessary because its exit from the sector would jeopardise the government’s chances of recovering its massive dues from the company.<sup>6</sup>

Against this backdrop, the government issued a reform package in September 2021 to provide a much-needed financial relief to the sector.<sup>7</sup> Among its several provisions, the reform package provides a moratorium of four years in the payment of dues arising out of the Supreme Court’s AGR judgment and on the spectrum purchased in past auctions.<sup>8</sup> The package gives an “option” to TSPs to convert the interest amount on the moratorium period into equity held by the government.

Vodafone Idea has chosen to exercise this option. Were it to accept the company’s equity offer, the government would own 35.8% of Vodafone Idea. Resultantly, Vodafone Group’s stake dropped to 28.5% from 44.39%, and Aditya Birla Group’s ownership came down to 17.8% from 27.66%.<sup>9</sup>

Another TSP, Tata Teleservices (Maharashtra) Ltd (TTML), also expressed an interest in converting the interest from AGR dues amounting to ₹850 crore into equity. However, it subsequently decided against the idea.

Instances of converting debt into equity to aid a sector or a firm burdened with government debt are rare. On the face of it, this appears to be a reasonable way to ensure the viability of Vodafone Idea. However, the remedy’s novelty, the sector’s complex reality, and the government’s new role in another operating company merit deeper scrutiny.

### The Concerns

The obvious downside to the government entering Vodafone Idea is common ownership problem. This problem has garnered much attention in recent times due to its potential anticompetitive effects.<sup>10</sup> Common ownership of minority shares has been argued to raise anticompetitive

effects. Non-controlling minority shareholding, that is, less than 50% shares, falls outside the ambit of merger scrutiny for any adverse impact on competition. It has been argued in academic literature that institutional investors with holdings in multiple competing firms may have the incentive to dampen competition either by facilitating collusion or by encouraging unilateral business decisions that may benefit some portfolio firms at the expense of others.<sup>11</sup> In such cases, firms' management may have the incentive to maximise the investor's total equity portfolio profits.<sup>12</sup> Although not yet a standalone theory of harm,<sup>13</sup> the European Commission has noted this concern in its case law.<sup>14</sup> However, the present body of research does not conclusively prove any adverse effect of common ownership on competition.<sup>15</sup>

If common ownership indeed causes adverse effects on competition, it appears, prima facie, that such a possibility is even more amplified when the government is the common owner. In such cases, although not wielding voting rights or direct influence, the government may subtly push the board to accede to its demands by interacting with directors.<sup>16</sup> Indeed, the government has several fora (informal meetings, public statements, interviews

with media, and so on) to make its "voice" heard. Additionally, firms with government equity may align their behaviour independently out of "gratitude" or in the expectation of finding favour in the future.

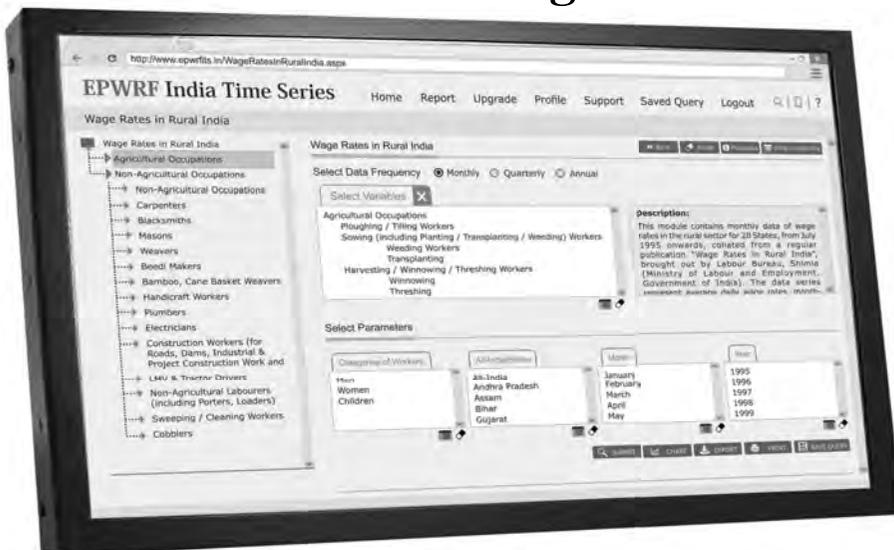
Admittedly, there is little fear of "unilateral effects" from the reduced intensity of competition due to common ownership. Vodafone Idea will not be able to increase prices/decrease quality or innovation unilaterally.<sup>17</sup> The leading position of competitors (Jio and Airtel) makes this possibility remote. For the same reason, even coordination among firms (on prices, quality, and other behaviour), where the government holds equity, although possible, may still bear no effects on the market.

However, a more concrete issue arising from common ownership is spectrum holdings. Currently, rules bar any company from holding more than 50% of the spectrum in any band below 1 GHz (for example, 700 MHz, 800 MHz, and 900 MHz bands) and 35% of the total spectrum available for assignment. In such a situation, will the regulators consider the substantial common ownership of Vodafone Idea and the government-controlled BSNL/MTNL? This issue is complex and the absence of any precedent or prior analysis by the regulators will complicate matters and the enforcement of fair competition.

In a set of frequently asked questions issued by the Department of Telecommunications, the government has denied that Vodafone Idea would be akin to a new public sector undertaking. It has ruled out control or influence over the firms in which it would acquire equity as a part of the reform package. The decision is reassuring since there are frequent allegations of government interference in the functioning of BSNL and MTNL. However, this seemingly ideal scenario deprives the government of a say in decisions, such as the level of participation in the imminent auction of 5G spectrum, which have significant financial implications for the company and the public exchequer. Time will soon tell if the government can sustain its stated hands-off approach.

Post the liberalisation of the telecom sector, the government-controlled companies—BSNL and MTNL—have struggled in the market and systematically lost subscribers to competition. However, deregulation has yielded positive results for the sector and the economy, with consumers enjoying a wider range of services at affordable prices. The government's equity holding in private firms will also mean that what was undone in the 1990s would be reinstated through the backdoor.

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The government has clarified that it will sell the shares it will hold in the companies post conversion at an appropriate time to realise the due amounts.<sup>18</sup> The government's public commitment to divest its shares in Vodafone creates an incentive to improve its share price. Indeed, the determination of "appropriate time" is subjective and allows for the vicarious presence of the government in the market for uncertain times. Additionally, the proposed divestment creates a new unwelcome conflict for the government: prioritise Vodafone Idea or BSNL and MTNL, the firms it already owns/controls? Arguably, the government now has a greater incentive to support the former. For these reasons, holding equity into firms is not an option without its pitfalls.

### Alternatives

An alternative could be to allow asset sharing through a strategic partnership between BSNL, MTNL, and Vodafone Idea or a merger of the same firms. Such a move can be a "fill two needs with one deed" strategy, where creative government action can save Vodafone Idea and improve the competitiveness of BSNL and MTNL.<sup>19</sup> The proposal has been echoed subsequently.<sup>20</sup>

This partnership offers a unique opportunity to expand access while protecting and strengthening competition in the sector. It also provides a credible and inexpensive way to exploit the complementarities of the faltering BSNL and MTNL and the indebted Vodafone Idea. For instance, BSNL and MTNL could start their much-delayed 4G services using Vodafone Idea's network infrastructure—comparable to the best in the market—and the combined spectrum holdings. On the other hand, their extensive rights of way would be invaluable for Vodafone Idea.<sup>21</sup> The infrastructure sharing (both active and passive) would lower the cost of network deployment, especially in rural areas or marginal markets, and stimulate migration to new technologies and the deployment of mobile broadband.<sup>22</sup>

There have been precedents where governments have resorted to unique ways to boost their own undertakings. For instance, about 30 years ago, the

Australian government's conditions for the entry of its first private operator, Optus, required the latter to take over the loss-making government satellite company, Ausat.<sup>23</sup> Arguably, asset sharing between Vodafone Idea and MTNL/BSNL will be less demanding and mutually beneficial, thus a "win-win scenario."

### Conclusions

The government's reform package is a welcome step to rid the telecommunications sector of its woes. The government has demonstrated its commitment to safeguarding optimal competition in this market. Competition in the telecom sector has manifestly generated welfare for users. Yet, the government's chosen approach—converting its debt into equity—is not without its disadvantages. The article has shown that the government's common ownership in Vodafone Idea and MTNL–BSNL may become problematic in the calculation of existing spectrum caps. If, indeed, the government refrains from exercising any control in Vodafone Idea, it would have no means to correct any missteps by the latter—leaving the fate of the exchequer's money solely on the firm's decisions. The proposed divestment may also pit the interest of Vodafone Idea against that of MTNL–BSNL.

Given the shortcomings of the government's proposed solution, the article shows that a better option could have been to either allow asset sharing between Vodafone Idea and BSNL and MTNL or a merger of these firms. This solution is superior as it will save Vodafone Idea and improve the ailing MTNL–BSNL—a "fill two needs with one deed" strategy.

### NOTES

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- 3 <https://www.financialexpress.com/opinion/failing-to-connect-can-india-avoid-a-telecom-duopoly/2281486/>.
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- 15 "Moreover, there is as yet no conclusive evidence that competition is actually reduced as a result," [https://www.monopolkommission.de/images/HG22/Main\\_Report\\_XXII\\_Common\\_Ownership.pdf](https://www.monopolkommission.de/images/HG22/Main_Report_XXII_Common_Ownership.pdf).
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# Trade Measures Enacted by Countries Due to the COVID-19 Pandemic

ADRITA BANERJEE

This article tries to analyse the non-tariff measures enacted by countries during the COVID-19 pandemic from the lens of trade protectionism. It further suggests ways for reforming the World Trade Organization rules and highlights the importance of eliminating trade barriers for effectively combating the pandemic.

Soon after the World Health Organization (WHO) declared the COVID-19 pandemic on 11 March 2020, evident signs emerged that the global economy would suffer an unprecedented decline. The International Monetary Fund's (IMF) projections in April showed that in 2020, global output would decline by 3%, but two months later, the projected decline was revised downwards by 2 percentage points. For the first half of the year, the Organisation for Economic Co-operation and Development's (OECD) projections were far worse—a 13% decline in the global gross domestic product (GDP). The decline in the global economic growth in 2020 was around -3.2%, and the decline in global trade was around 5.3%. The IMF's projections in July 2021 showed that the world economy will grow at 6% in 2021 and 4.9% in 2022 (IMF 2021a). The WTO has predicted that the global GDP would grow by 5.3% in 2021 and 4.1% in 2022.

Historically, economic downturns have caused considerable disruptions, especially because protectionist sentiments have become dominant in most economies (Bown 2011; Baldwin and Evenett 2020; Hoekman 2020; Nicita and Olarreaga 2020). To protect their domestic producers, countries have adopted many policies for restricting imports, thus discriminating against foreign producers. Short-sighted protectionist policies during the Great Depression (1930s) resulted in the deepening of the economic crisis, and there were justified concerns that a similar situation could emerge in the COVID-19-stricken world.

As they had done since they first met in the shadow of the great recession/global financial crisis in 2008, leaders of the Group of Twenty (G20) countries reaffirmed their commitment to keep global markets open and avoid unnecessary disruptions to trade (Hoekman 2020;

Dhar 2020; Ayub 2020). In their extraordinary summit, during the early days of the pandemic, they pledged to work towards ensuring the “flow of vital medical supplies, critical agricultural products, and other goods and services across borders, and work to resolve disruptions to the global supply chains ...” (G20 2020). Thus, the G20 countries made a collective commitment to keep global markets open, which was an important message for the global community. The question is, what were the trade policy responses of countries when they faced the pandemic-induced economic crisis?

This article attempts to review the trade measures adopted by individual countries in the aftermath of the COVID-19 pandemic. Three sets of databases provide the details regarding trade measures adopted since the onset of the COVID-19 pandemic. The WTO has been reporting members' notifications on COVID-19.<sup>1</sup> As of 10 January 2022, around two years since these measures are being recorded, 438 notifications were submitted to the WTO by the members. Annexure Table 1 (p 25) provides a compilation of the eight types of measures notified to the WTO by its members. The Global Trade Alert (GTA) database had compiled around 1,828 trade-related measures adopted after the onset of the COVID-19 pandemic.<sup>2</sup> However, this database does not include technical standards, namely sanitary and phytosanitary (SPS) and technical barriers to trade (TBT). Furthermore, the market access map (MAM), compiled by the International Trade Centre (ITC), provided a list of 387 temporary trade measures, enacted by countries after the onset of COVID-19.<sup>3</sup> Although the ITC database includes technical standards since end-January 2020 or roughly corresponding to WHO's announcement that COVID-19 was a public health emergency, the coverage is somewhat limited. Since these databases are not strictly comparable, the three sets of data need to be analysed separately. The first two databases have been analysed in earlier studies (Hoekman 2020; Dhar 2020); the present article attempts to fill the gap by providing a detailed analysis of the ITC database.

The article goes on to discuss the general trade measure, followed by trade

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restrictive measures, trade liberalising measures, and subsequently the use of NTMs, especially the SPS-TBT standards, as trade policy instruments.

### 'Temporary' Trade Measures

As mentioned earlier, the MAM of the ITC provides data on 387 "temporary" trade measures enacted by 149 countries<sup>4</sup> since end-January 2020, when COVID-19 cases in China had begun to peak. Of the measures enacted, 225 were active on the day the data were accessed, while 132 measures were terminated.<sup>5</sup> Table 1 provides a summary of the types of measures used by countries, as provided in the ITC database.

Table 2 gives a list of 30 countries, in the decreasing order of the number, of measures they have enacted. India had

enacted the largest number of these measures (16), followed by Brazil (12), Argentina (11), and Indonesia (9). China, Eurasian Economic Union, Pakistan, Colombia, Chinese Taipei, Turkey, Vietnam, and the Republic of Korea (ROK) enacted seven measures, each.

An interesting feature of enacted measures was that 199 were trade restrictive, whereas 188 were trade liberalising. Over 102 of the trade-restrictive measures were still active on the day the data was accessed. As mentioned earlier, there was a marked tendency of countries to turn protectionist to protect the domestic producers from imports in all previous crises. Export restrictions were also imposed as governments sought to insulate their economies from higher world prices, by restricting

exports (WTO 2009: 34). The latter set of policies are easier to impose as the WTO rules allow key flexibilities. Thus, countries had become protectionist by blocking exports and confining supplies of critical items within the national boundaries (Baldwin and Evenett 2020: 24).

However, the COVID-19-induced economic crisis has been markedly different from all others since several countries adopted import-liberalising measures to facilitate the availability of essential supplies as the pandemic caused critical supply bottlenecks. Not surprisingly, around 264 of the trade measures (almost 70%) were directed at medical products required to combat the pandemic. The products included sanitisers, PPE kits, hydroxychloroquine, remdesivir and other COVID-19-drugs, ventilators, reagents, testing kits, specific materials required for manufacturing medical products, vaccines, etc. Among the measures covering other products, more than one-half included

**Table 1: Frequency of Measures Used**

SlNo	Type of Measure	Count
(1)	Tariff reduction	142
(2)	Export prohibition	99
(3)	Licensing or permit requirements to export	46
(4)	Import ban	16
(5)	Prohibitions/restrictions of imports for SPS reasons	10
(6)	Certification requirements	9
(7)	Tariff reduction/increased quotas	7
(8)	Export quotas	6
(9)	Exceptional measures to facilitate imports	4
(10)	Tariff elimination	4
(11)	Authorisation requirements for importing certain products	4
(12)	Quarantine requirements; requirement to pass through specific port of customs	3
(13)	Export restriction	3
(14)	Suspension of anti-dumping duty	3
(15)	Tariff increase	3
(16)	Additional import duties	2
(17)	Non-automatic import-licensing procedures	2
(18)	Duties on imports are postponed	2
(19)	Lifted ban on imports	2
(20)	Prohibitions/restrictions of imports for SPS/TBT reasons	2
(21)	Export control	2
(22)	Suspension of certification requirements	2
(23)	Increasing the import quota	1
(24)	Suspension of the compulsory certification	1
(25)	Elimination of import licensing requirements	1
(26)	Requirement to pass through specific port of customs; transport restrictions	1
(27)	Export prohibition; licensing or requirements to export	1
(28)	Export ban	1
(29)	Extension of timeframes for payment of customs duties	1
(30)	Conformity assessments	1
(31)	Extension of timeframes for automatic registration number	1
(32)	Suspension of import ban	1
(33)	Export prohibition repealed	1
(34)	Relaxed administrative procedures	1
(35)	Multiple TBT NTMs	1
(36)	Reduction of import costs	1
(37)	Total	387

Source: Author's calculations from the ITC data.

**Table 2: Number of Trade Measures Enacted by Countries** (top 30)

SlNo	Enacting Country	No of Measures Enacted
(1)	India	16
(2)	Brazil	12
(3)	Argentina	11
(4)	Indonesia	9
(5)	China	7
(6)	Colombia	7
(7)	Eurasian Economic Union	7
(8)	Republic of Korea	7
(9)	Pakistan	7
(10)	Chinese Taipei	7
(11)	Turkey	7
(12)	Vietnam	7
(13)	Paraguay	6
(14)	Philippines	6
(15)	Uzbekistan	6
(16)	Kazakhstan	6
(17)	United States	5
(18)	Ecuador	5
(19)	Norway	5
(20)	Russian Federation	5
(21)	Switzerland and Liechtenstein	5
(22)	United Kingdom	5
(23)	Thailand	5
(24)	Bulgaria	4
(25)	Cambodia	4
(26)	Iran (Islamic Republic of)	4
(27)	Kyrgyzstan	4
(28)	Myanmar	4
(29)	South Africa	4
(30)	European Union	4

Source: Author's calculations from the ITC data.

food products. The measures mainly included standards to ensure safe trade in essential food products, especially rice, wheat, and pulses.

A critical aspect of these trade measures is that, in the case of 205 measures (around 53% of the total), the enacting country/countries did not specify the date on which the measures would be terminated. Thus, given that the enacted trade measures were “temporary” in nature, the absence of information regarding their termination dates could contribute to uncertainties for businesses. Of the trade measures for which the period was specified, 71 measures remained active for more than six months, while 110 measures were terminated before six months. Given the uncertainties caused by the pandemic, trade restrictions, if applied for a prolonged period, can have unnecessary trade-distorting effects.

### Trade-restricting Measures

As mentioned earlier, countries adopted trade-restricting measures to ease domestic shortages and protect domestic enterprises. Thus, export bans and import restrictions were liberally used. The latter set of measures also included certification norms and quality controls. Such short-sighted, insular, nationalist policies can hamper economic recovery and reduce the productive capacity of the world (Baldwin and Evenett 2020). As the pandemic persists even in 2022, it is difficult to predict how long these restrictions will remain in force and whether their use can be justified. Table 3 shows the type of trade restrictive measures and their categories.

Of the 199 trade restrictive measures, 160 were related to exports, whereas 39 were related to import restrictions. Almost

78% (125) of the export restrictions were directed at medical items required to combat the pandemic. However, while global demand for these products grew exponentially, their production, in large measures, depended on global supply chains, which were severely disrupted due to extensive lockdowns. Several countries sought to respond to the emergent domestic shortages, by resorting to export restrictions, unmindful that such restrictions can prove to be quite costly in the long run.

The extant multilateral trade rules provide sufficient policy space to impose trade restrictions, especially during pandemics. Countries have taken advantage of these flexibilities in the rules to adopt trade-restrictive measures, in order to “overcome critical shortages” or to “realise regulatory objectives” under certain conditions, as long as they are temporary (Dhar 2020; Hoekman 2020; Pauwelyn 2020). At the same time, several countries have also imposed trade restrictions that are not strictly abiding by the rules. For instance, the WTO rules generally discourage members from imposing quantitative export restrictions (GATT 1994). On the other hand, the General Agreement on Tariffs and Trade (GATT) prohibits quantitative export restrictions, including “quotas, import, or export licences or other measures” (Article XI.1), but “[E]xport prohibitions or restrictions temporarily applied to prevent or relieve critical shortages of foodstuffs” or other essential products can be imposed. Thus, WTO members have the policy space to impose quantitative export restrictions to “relieve critical shortages,” and have done so during the pandemic. Further, WTO members must apply these restrictions in a non-discriminatory manner (most favoured nation principle) and notify changes in rules through official publications and notifications. These measures must also be applied “in a uniform, impartial and reasonable” manner such that all members are entitled to an “equitable share” of the global supply (Pauwelyn 2020). Members are required to notify all the quantitative restrictions on exports and imports that are in force, every two years and notify any new measures adopted “as soon as possible and not later than

six months from their entry into force” (WTO 2012: paragraph 1). Experts have argued that WTO members have committed two sets of violations while adopting trade-restrictive measures during the pandemic: one, by ignoring the fact that such measures should be adopted only temporarily; and two, by not meeting the vital transparency requirements and failing to notify the measures.

Export ban from one country can have significant consequences for trade with partner countries. It can trigger a domino effect, wherein other countries also enforce similar restrictions and try to keep their domestic markets insulated. We have seen this phenomenon occurring in the ongoing pandemic; a global crisis of the nature and intensity, we are witnessing can amplify this domino effect, leading to knock-on effects. Some countries may even impose retaliatory restrictions on input supplies from their trading partners, further disrupting the production value chains. When faced with such restrictions, importing countries usually switch to other partners to supply the good, which can change demand and preferences in the long run. Fearing such future restrictions, countries could try to achieve self-sufficiency and reorganise their value chains (WTO 2020a). Further, such measures can disrupt health planning in partner countries, increasing national and international contagion (Evenett 2020).

As a trade policy measure, export restrictions can be costly. If markets are competitive and function normally, such restrictions can discourage local production while incentivising local consumption, creating distributional implications. They can become beggar-thy-neighbour in nature. It is more harmful to the developing and least developed countries, which are solely dependent on imports for their essential supplies or may not have the capacity to scale up domestic production in the short term. Cutting them off from global supplies makes them more vulnerable (Bown 2020).

During the pandemic, countries have resorted to export authorisation schemes that are not very transparent. Governments can claim that they are not banning exports, but they have the effect of

**Table 3: Broad Categories of Trade Restrictive Measures**

Trade-restrictive Measures	Export Measures	Import Measures	Total
All	3	1	4
Essential	1		1
Food	26	11	37
Food/medical	5		5
Medical	116	8	124
Others	5	19	24
Vaccines	4		4
Total	160	39	199

Source: Author's calculations from the ITC data.

preventing local suppliers from fulfilling their export obligations. Thus, they essentially act as export bans (Evenett 2020). If these measures are allowed to remain in force for a substantial period, they can provide an undue advantage to domestic producers and discriminate against imports. The estimates show that export bans can increase prices of ventilators by 12.6%, flow splitters for oxygen supplies by 33.7%, and protective goggles and masks by 40.4% (Espitia 2020). Some countries rely on imports for certain types of medical supplies due to the comparative advantage they enjoy. Trade restrictions can force these efficient producers to forego their specialisation, which can, in turn, lead to less efficient production networks in the long run.

When export restrictions are used in one sector, it may sometimes trigger export restrictions in other sectors, even though they may not be directly linked to tackling the pandemic (WTO 2020a). Around 26 export-restrictive measures were imposed in food, foodgrains, and related sector. This is because countries were concerned about food supply shortages due to the pandemic. The WTO's Agreement on Agriculture mandates members to give due consideration to the food security concerns of their trading partners who may be impacted by export restrictions on foodstuffs. Further, they are required to inform the WTO Committee on Agriculture regarding the nature and duration of the measures imposed (WTO 2020).

Around 11 import-restrictive measures in food and foodgrains were imposed in the wake of the pandemic. Import refusals by the United States Food and Drug Administration (USFDA) involving agricultural products increased by 27% in the first quarter of 2020. Organisations such as the USFDA enjoy discretionary powers, and thus their import refusals can become an effective instrument of protection.

A large number of countries imposed export bans, quotas and licensing restrictions on food products, including wheat, rice, vegetables, oil, fruits and eggs, keeping domestic food supplies in mind (Cardwell and Ghazalian 2020; Chen and Mao 2020). As a result, there have

been disruptions of global food supply chains and logistical delays (Skawinska 2020). Restrictive measures were also put in place for trade in animal products like hides, skin, leather, among others. Russia, Indonesia, and Korea imposed import restrictions on wild animals as well as animal-derived products from China after the onset of the pandemic. Egypt banned imports of garlic, green ginger, and carrots from China. Similar import bans were adopted by countries on wild animals and other related products, as it was initially claimed that COVID-19 was spread by wild animals (Chen and Mao 2020).

Leibovici and Santacreu (2020) show that 86% of the countries, which had a surplus of medical equipment in 2018, restricted exports, while only 18% of such countries reduced import barriers. Almost 30% of the countries that were net importers of medical equipment in 2018, reduced their import barriers. In the short term, countries adversely affected by export restrictions designed temporary policies to increase production. However, for a long-drawn pandemic, it is crucial to devise policies to maximise the trade policy benefits. Countries designed trade policies based on their net trade in medical goods and implemented higher barriers for essential goods vis-à-vis non-essential goods to avoid shortages during the pandemic.

### Trade-liberalising Measures

Trade-liberalising measures were often used to ameliorate the supply-side bottlenecks of medical supplies and other humanitarian goods, required to tackle the pandemic, in particular. The more frequently used trade-liberalising measures were reduction of import tariffs, temporary elimination or reduction of anti-dumping duties, grant of waivers from taxes or import duties, a moratorium on import tariffs, exemption from VAT, custom duties, and other taxes.

There were 180 import-liberalising measures and only eight export-liberalising measures. This shows that countries were trying to secure imports to avoid supply shortages, in the wake of the pandemic. Out of the 180 import-liberalising measures, 113 measures were imposed on

medical goods. Most of the liberalising measures aimed to reduce import duties on ventilators and their parts, masks, sanitisers, reagents, test kits, PPE kits, etc. Import tariffs on foodgrains, especially cereals and pulses, were also reduced. Such measures were around 17 in number. Table 4 shows the type of trade-liberalising measures and their categories.

The interesting fact here is that trade liberalisation measures were not broad-based. They were targeted at products required for emergency purposes like medical products. There are nine trade-liberalising measures related to vaccines, and none are related to exports. This shows that countries were liberalising the vaccine imports to gain easy access. Maintaining stocks of such goods by liberalising the imports was done for national security, due to the production losses, the constrained supply, and the uncertain nature of the pandemic. Thus, instead of cooperating and ramping up production, we witnessed the world trying to appropriate and accumulate available supplies fearing future shortages (Evenett 2020). These trade-liberalisation measures can be more helpful in the post-pandemic era, which would help foster growth and competition by using pent-up demand.

### Use of NTMs as Trade Policy

According to UNCTAD, the non-tariff measures (NTMs) are defined as trade policy measures (different from customs and tariffs) that can have a potential economic effect on the price and (or) quantity of traded goods and services. Examples include quotas, price controls, standards and regulatory measures, etc. Over the past few decades, the NTMs have increasingly been used; in fact,

**Table 4: Broad Categories of Trade-liberalising Measures**

Trade-liberalising Measures	Export Measure	Import Measure	Total
All	1	4	5
Essential		1	1
Food		17	17
Food/medical		10	10
Medical	3	113	116
Others	4	26	29
Vaccines		9	9
Total	8	180	188

Source: Author's calculations.

**Table 5: Frequency of Usage of NTMs**

Standard Like Measures	Count
Licensing or permit requirements to export	46
Prohibitions/restrictions of imports for SPS reasons	10
Certification requirements	9
Exceptional measures to facilitate imports	4
Authorisation requirements for importing certain products	4
Quarantine requirements; requirement to pass through specific port of customs	3
Non-automatic import-licensing procedures	2
Prohibitions/restrictions of imports for SPS/TBT reasons	2
Suspension of certification requirements	2
Suspension of the compulsory certification	1
Elimination of import licensing requirements	1
Requirement to pass through specific port of customs; transport restrictions	1
Export prohibition; licensing or requirements to export	1
Conformity assessments	1
Extension of timeframes for automatic registration number	1
Relaxed administrative procedures	1
Multiple TBT NTMs	1
Total	90

Source: Author's compilation from the ITC data.

commentators have spoken of a policy substitution effect between tariffs and NTMs (Dhar and Kallumal 2007). This is particularly true in cases where the cost of complying with the standards is low and the “tariff water”<sup>6</sup> is shallow. The consensus among trade economists is to avoid unnecessary trade barriers and reduce and harmonise the NTMs. Some NTMs are necessary for the protection of health and safety and might even reflect consumer preferences. The NTMs like quotas and prohibitions are unambiguously trade-disrupting in nature. However, the SPS–TBT measures aimed at upgrading product quality can improve consumer welfare and boost trade. Besides, labelling norms and quality controls can provide additional information for consumers (Grübler and Reiter 2020a). The SPS and TBT measures accounted for 57% and 34% respectively of all trade notifications in 2019. They can reduce the entry of certain foreign products and even prohibit their entry into domestic markets (Grübler and Reiter 2020a). A study consisting of 100 importers and 5,000 products from 1995 to 2014 suggests that around 60% of all the NTMs are trade-impeding in nature (Ghodsi et al 2017).

Strict border controls were placed for agricultural exports from those areas that have been affected by the virus. There are multinational companies in the medical and pharmaceutical sectors

whose value creation processes span different countries depending on comparative advantage in component manufacturing, R&D, assembly and distribution, sales and marketing, etc. These sectors are regulated using justified laws and rules (keeping public health and safety in mind) which can lead to an increase in costs. However, in times of crisis, countries seem to implement “unnecessary” NTMs, like licensing requirements and public procurement norms, which end up protecting domestic industries (Stellingner et al 2020).

Of all the measures enacted, 90 measures were product-process standards and included both SPS–TBT measures. As Table 5 shows, licensing, certification, prohibitions, SPS–TBTs, etc, were some of the more common types of measures used by countries.

These findings contrast the analysis of trade measures notified by the countries

in the WTO, where there were 177 notifications pertaining to TBT, 103 notifications about SPS standards, and nine notifications on both SPS and TBT measures.

Docking restrictions for ships and quarantine requirements for crews also hampered trade to some extent. However, such measures were essential to ensure public safety. There was a shortage of labour in ports to unload the ships, especially where the process is less automated. Further, protective measures for workers led to increased costs. Port protocols were changed by over 50 countries ranging from port closures to additional requirements of documentation and examination. However, some countries set up “green lanes” for faster, hassle-free cargo movement while abiding by the COVID-19 guidelines. There was an increase in the prices of cargo and containers (OECD 2020).

The study highlights the massive gap in reporting of measures by enacting countries. As is evident, countries have been flouting transparency requirements. The ITC data shows that most of the measures are related to tariff elimination, whereas the WTO data shows that standards like SPS–TBT measures are the highest. Moreover, the delays in notifying measures that countries have already adopted, can be discriminatory for their trading partners and thus contribute to protectionism (Dhar 2020).

### Concluding Remarks

It is, thus, clear that the COVID-19 pandemic has had an impact on the rules-based global trading system. The liberal use of trade-restrictive measures has impacted trade flows. Supply chains have become unstable; cost inflation has

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increased, reducing people's purchasing power (Skawińska 2020; OECD 2020).

In recent years, the WTO has become much less effective. As a result, countries have been adopting trade policy measures that may not be temporary, in a non-transparent manner, without any serious threat of facing major consequences from the global trading order. This can be alarming in the present situation, as the role of the WTO is more critical in times of crisis, when international cooperation becomes most necessary. As the world is decreasing tariffs and increasingly moving towards NTMs, there needs to be a robust international body for constantly analysing and assessing the trade measures being implemented, to ensure that global trade can continue unhindered in a free and fair manner. Thus, it is crucial to strengthen and reform the WTO (Dhar 2020; Hoekman 2020; Grüber 2020).

The need of the hour is for countries to cooperate, pool risk, and increase global production of essential items. A distribution mechanism free of trade barriers is part of the solution to effectively combat the pandemic as protectionism will only depress the efforts of foreign countries to combat the pandemic without substantial domestic gains. Unilateral action by countries to free all the medical and humanitarian goods from trade barriers and increasing the production capacity will help in combating the virus impact globally. Intergovernmental cooperation on multiple fronts is the best way forward for tackling this pandemic (Baldwin and Evenett 2020; Stelling et al 2020).

Thus, reforming and strengthening the working of the WTO and formulating robust rules will go a long way towards ensuring the checks and balances required, so that the global trade can continue in a free and fair manner. International cooperation is vital in eliminating the trade barriers and keeping essential production lines and supply chains open, such that resources are optimally used to maximise production. Keeping markets open and accessible is the best way to curtail the pandemic, and the world needs to address the challenges brought by the COVID-19 pandemic together.

## NOTES

- 1 [https://www.wto.org/english/tratop\\_e/covid19\\_e/notifications\\_e.htm](https://www.wto.org/english/tratop_e/covid19_e/notifications_e.htm), viewed on 26 October 2021.
- 2 <https://www.globaltradealert.org/reports/54>, viewed on 26 October 2021.
- 3 <https://www.mactmap.org/covid19>, viewed on 26 October 2021.
- 4 Includes two regional groups, the 28-member European Union, and the five-member Eurasian Economic Union.
- 5 The status of the 24 measures was unknown and six are under investigation.
- 6 The extent of policy space to increase tariffs, measured by the difference between the MFN applied and bound rates is generally referred to as "tariff water."

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## Annexure

**Table 1: WTO Members' Notifications on COVID-19 by Type**

Type of Measures	Number of Measures
Agriculture	31
Council for trade in goods	3
Government procurement agreement	3
Market access for goods	87
SPS measures	112
TBT measures	188
Trade facilitation agreement	9
Trade-related intellectual property rights	5
Total	438

Source: Author's calculation from the WTO members' notifications on COVID-19.

# Is Decent Work Elusive under Globalisation and 4IR?

RAMYA RANJAN PATEL

The global production chain has entered the phase of the Fourth Industrial Revolution. The emerging countries are not immune from the trend of technology adoption either through domestic or international competition. Excessive use of technology has subdued the possibility of creating enough decent jobs for India and other emerging countries. The weakening relationship between economic and employment growth led by intense global competition and technology penetration is likely to complicate the decent employment agenda.

The dead machinery may be used to assist human efforts and must not be pitted against the millions of living machines represented by the villagers.

—M K Gandhi, *Harijan* (1935: 244)

The real planning consists of the best utilisation of the whole manpower of India.

—M K Gandhi, *Harijan* (1947: 198)

People remain poor either because they do not get sufficient alternative work at the prevailing wage rate or their household resource base is so inadequate so as to engage them productively at home. Although the lack of “ownership entitlement” (assets/land) pushes someone below the poverty line, people are less likely to remain poor even in its absence, if they find sufficient opportunities to exchange their labour power (Sen 1981). The availability of decent employment opportunities, therefore, becomes imperative for poverty reduction and economic mobility. Galbraith (1958: 155), in this context, affirms that full employment is more desirable than increased production combined with unemployment. The crucial role of employment was realised much earlier by M K Gandhi.<sup>1</sup> He mentioned (*Harijan* 1934: 302) that labour is money and any person who can use his labour owns that money and converts his labour into cloth and grain. Gandhi also recognises that the disease of the masses is less the want of money so much as it is the want of work (*Young India* 1925: 211).

The pivotal role of employment has also been advocated by the Universal Declaration of Human Rights, 1948 (Article 23), which says that everyone has the right to work, free choice of employment, and just and favourable conditions of work and protection against unemployment. The Employment Policy Convention, 1964 (No 122, Article 1) of the International Labour Organization (ILO) in this context states that each member country should pursue policies that promote full, productive, and freely chosen employment. The Sustainable

Development Goals (2015/No 8) includes full and productive employment and decent work for all as one of the goals to be attained by 2030. In pursuance of the same, the Global Commission on the Future of Work (ILO) recommends achieving a future of work that provides decent and sustainable work opportunities for all. There are several appreciable initiatives by both the national and international agencies in pursuance of decent work creation.

The pandemic-induced lockdown, nevertheless, aggravated the employment situation adversely across the globe. The challenges of creating decent employment opportunities have remained unresolved for decades, particularly after the advent of the neo-liberal economic policy. In most of the developing countries, the crisis is more acute with a much higher rate of informality and precarity. Apart from rightsizing/downsizing and contractualisation, globalisation and labour-saving technological advancement are the factors primarily responsible for the grim situation in the labour market. Despite the recognition of the magnitude of work and employment and the measures initiated by both the national and international agencies, “labour-saving technological progress” emerges as a major deterrent to the goal of creation of decent employment. In this context, the following sections analyse the impact of the Fourth Industrial Revolution (4IR) on employment creation among the developing countries with particular reference to India.

## 4IR and Employment

There is rapid and incessant technological progress taking place at a broader scale in the field of production and industrial development at the global level. The global production chain has entered the 4IR, known as the digital transformation of manufacturing and other industries through the use of automation, artificial intelligence, and robotics for value creation processes. No economy, including India, is immune to such development. Indian manufacturers have also invested significantly in technological upgradation since the opening up of the Indian economy to foreign trade (Vashisht 2017). “Cost cutting,” “competitiveness,” and “ease of doing business”

The author is thankful to Manoj Jatav for his valuable suggestions.

The views expressed in this article are those of the author and do not reflect the opinion or views of the organisation he is affiliated with.

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under the aegis of globalisation and neo-liberal economic policy strongly drive the production activities of the majority of the industrial establishments. The increased competition among the firms leads to intense use of technology and growing capital and technology intensity of production. Technical efficiency has increased at a much faster rate than the rate of labour absorption.

The parallel impact has been on the lack of job creation with job losses increasingly evident from the declining trend of “elasticity of employment.” The sensitivity of employment to economic growth, technically called elasticity of employment, after declining to zero in 2011–12, has entered the negative territory (Kannan and Raveendran 2019). The previous phenomenon of jobless growth has been aggravated to the phenomenon of “job-loss growth” (Kannan and Raveendran 2019; Himanshu 2019).<sup>2</sup> It indicates that the concomitant expansion of employment opportunities—a natural corollary of economic growth—is fading away, contrary to the generally accepted, well-established link between economic and employment growth. The weakening relationship caused by labour-saving technological progress in the manufacturing sector and globalisation has been the reason behind the dismal performance in employment creation (Rodrik 2015; Choudhury 2018). Falling employment elasticity is partly the result of a large-scale substitution of labour with capital and automation. The capitalist, over the course of intense competition between capital, as well as between labour and capital, often gets biased towards labour-saving and capital-using technical change. Capital is being invested profoundly in labour-saving technologies and automation to address the issue of higher wages and salaries and maintain discipline among labourers; it has, in turn, weakened their bargaining capacity. Capital in this process gets disentangled from labour, and labour becomes an easy prey for the hunt of accumulating more and more wealth. Bhardwaj (2021) calls it an attempt of capital’s ultimate desire to eliminate labour and maximise profits. The advent of 4IR increasingly realises capital’s long desire to detach from labour.

In this process, the ability of the workers to earn a living is being snatched, which in turn creates the way for severe recessionary trends in employment creation, worsening the job situation.

The report on “Future of Jobs 2018” by the World Economic Forum estimates that by 2022, 62% of organisation’s information, data processing, and information search and transmission tasks will be performed by machines compared to 46% today. The Mckinsey Global Institute (2017) estimated that about half of all the activities people are paid to do in the world’s workforce could potentially be automated by adapting to currently demonstrated technologies. It further predicted that the net effect would be the depletion of employment opportunities, particularly in unskilled and routine works. It is very much consistent with the evidence suggesting that the rate of job creation in new technology industries has, in fact, slowed over the recent decades. There are shreds of evidence linking automation of many low- and medium-skill occupations to wage inequality, labour market polarisation, and the ongoing decline in manufacturing jobs in support of the claim that workers are falling behind the race against machines (Autor et al 2006; Spitz-Oener 2006; Dustmann et al 2009). The optimists argue that job loss predictions do not accurately incorporate technology absorption rates since automation creates more jobs because of innovations. They suggest that the future of work will be determined by the battle between automation and innovation (*World Development Report 2019*).

The 4IR may create many new jobs, some of which we may not even imagine today. Nonetheless, studies as well as the job market outcomes in the majority of developing countries suggest that innovation is not adequate to offset job losses because of automation. Acemoglu and Restrepo (2020) found that robots may reduce both employment as well as wages. They underlined that each additional robot reduces employment by nearly seven workers, with limited evidence of offsetting employment gains in other industries. Bakshia et al (2018) found that 9.6% and 8% of the current

workforce in an occupation in the United States (us) and United Kingdom (uk), respectively, are likely to experience an increase in its share in the employment. However, an occupation will very likely experience a fall by 18.7% and 21.2% in the us and uk, respectively.

Although there is a declining trend in employment growth, the growth in net value added and profits, on the other hand, go hand in hand with technical change and productivity improvements. On the contrary, the share of labour in national income has trended downwards in most economies since the 1990s (IMF 2017). It is evident from Table 1 that the labour income share across the major South Asian countries and the world has declined between 2004 and 2017. The decline has been prominent in the case of India from 60.7% to 49%.

**Table 1: Labour Income Share as a Percent of GDP**

Countries	2004	2017
India	60.7	49.0
Bangladesh	45.4	42.2
Nepal	41.0	37.1
Pakistan	40.8	42.2
Sri Lanka	33.9	37.1
World	53.7	51.4

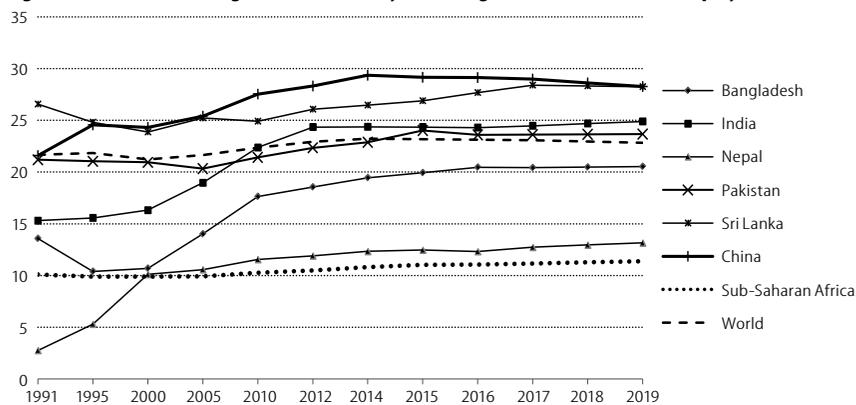
Source: ILOSTAT.

### Implications of 4IR

The developing economies that are relatively less industrialised are not unsusceptible to the trend of technology adoption either through domestic or international competition. Under the global nature of competition, where producers have to compete with goods supplied in the international market or cheaper goods imported from relatively developed countries to survive and expand their profit, it hardly leaves a choice for the producers in the developing countries who wish to employ labour-using technologies (EPW Engage 2018). The 4IR poses a severe challenge to the countries that have not yet completed their industrial transformations. This trend towards automation can be painful for workers in any economy, and especially dreadful for the developing economies that hoped manufacturing would help them get on the ladder to prosperity.

Without exception, Indian companies are also deploying robots as labour substitutes. According to the Mckinsey report,

**Figure 1: Trend of Percentage Share of Industry (Including Construction) in Total Employment**



Source: ILOSTAT.

**Table 2: Average Monthly Minimum Wages**

Country	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013
India	26	39	38	42	48	54	57	64	56	51
Bangladesh	NA	NA	24	24	24	24	43	40	37	68
Nepal	27	34	45	50	66	59	63	84	73	86
Pakistan	28	50	50	76	85	73	82	81	86	98
Sri Lanka	29	30	29	37	49	51	NA	NA	NA	NA
China	50	71	80	96	115	117	142	180	200	226

NA—Not available.

Source: ILOSTAT.

**Table 3: Percentage Distribution of Labour Income Distribution by Decile Groups, 2017**

Country	D-1	D-2	D-3	D-4	D-5	D-6	D-7	D-8	D-9	D-10	Total
India	0.25	0.63	1.01	1.33	1.92	2.67	3.65	5.59	13.53	69.42	100
Bangladesh	2.38	3.78	4.91	6.00	7.26	8.45	9.89	11.70	15.14	30.48	100
Nepal	0.38	0.85	1.27	1.75	2.85	4.78	7.33	11.10	18.87	50.81	100
Sri Lanka	0.70	1.88	3.16	4.57	6.26	8.33	10.70	14.04	18.12	32.23	100
Pakistan	0.48	1.04	1.98	3.25	4.55	6.30	8.94	12.27	17.70	43.50	100
China	0.44	1.11	2.02	3.24	4.62	6.38	8.84	12.49	18.24	42.62	100

D—Decile group.

Source: ILOSTAT.

**Table 4: Value Added by Industry (Including Construction) as Percent of GDP**

Region	1995	2000	2005	2010	2015	2017
India	28.6	27.3	29.5	30.7	27.4	26.5
Bangladesh	23.6	22.3	23.3	25.0	26.8	27.8
Nepal	21.3	20.7	16.5	14.2	13.7	13.2
Pakistan	21.3	21.7	25.5	19.7	19.1	17.8
Sri Lanka	26.7	27.3	30.2	26.6	27.2	27.3
Sub-Saharan Africa	29.8	30.7	28.8	28.0	24.6	25.4
World	31.9	29.0	28.6	27.2	25.6	25.4

Source: World Development Indicators.

India has the technical potential of automation in the case of the jobs of 52% of the employees by adopting currently demonstrated technology. Vashist and Rani (2020) claim that, technically, robotics (Sewbot and other machines) can displace 80% of the labour employed in the Indian garment industry—one of the most labour-intensive sectors. The adoption of 4IR technology along with the consolidation and rightsizing kept the Indian informal sector at 80.28% in 2018, an increase from 74.82% in 2012, notwithstanding the fast economic growth.

The growth in average monthly minimum wages and the percentage distribution of labour income by decile groups have been far more distressing. Average monthly minimum wages in India has grown the lowest in South Asia, as evident from Table 2. Similarly, the distribution of labour income across the decile

groups has been highly unequal in India (Table 3). The share of the first and tenth deciles, respectively, is the lowest (0.25%) and highest (69.42%) in India among major South Asian countries.

There is a decline in the share of industrial employment as well as value added in the gross domestic product (GDP), thereby indicating the emergence of “premature deindustrialisation” in developing countries. Rodrik (2015: 4), who first documented this trend of premature deindustrialisation, defines it

as developing countries opened up to trade, their manufacturing sectors were hit by a double whammy of strong reductions in employment and output shares.

The declining share of industry in the total value added across the major South Asian countries (except Bangladesh), sub-Saharan Africa and the world is represented in Table 4. Nonetheless, the share of industry in the total employment has started declining globally. It is almost stagnant across the major South Asian countries or sub-Saharan Africa (Figure 1). Technology has restrained South Asia, including India, and African countries, from industrialising and prevented the shift of workers to the formal sector. Similarly, the global value chain has emerged as a major impediment for the emerging economies from experiencing mass industrialisation that is essential for creating decent jobs.

The effects of automation can be more severe for countries with substantial young populations and for those that anticipate large numbers of new labour market entrants. Automation and the adoption of robotics have reduced the hiring of young entrants and to an overall decline in bargaining power among them. Eventually, it leads to the contractualisation

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of short-duration jobs. The challenges are immense for the youth and the poor; the majority of whom are illiterate and unskilled, and look for jobs in the manufacturing sector to escape poverty. That is probably why youth unemployment has been highest in India, increasing from 8.98% in 2012 to 22.53% in 2018 (Table 5).

**Table 5: Unemployment Rate\* among Youth**  
(Age 15–24 Years)

Countries	1994	2000	2005	2010	2012	2018
India	6.23	8.06	7.48	8.12	8.98	22.53
Bangladesh	7.02	10.73	9.27	6.36	NA	12.76
	(1996)					(2017)
Pakistan	7.42	13.34	0.98	1.28	NA	7.85
			(2008)			
Sri Lanka	34.86	23.65	26.36	18.97	17.29	NA

\* Defined as a number of person unemployed per 100 in the labour force; survey year in parentheses.  
Source: ILOSTAT, national estimates.

The decoupling of capital from labour in the contemporary production process and the growing unemployment reminds us of the “Technological Unemployment” that J M Keynes (1930) mentioned in his essay “Economic Possibilities for our Grandchildren.” However, he noted it as a temporary phase of maladjustment. He predicted that the “economic problems” will no longer exist in the next 100 years, and people will enjoy a life-enhancing leisure time caused by the eightfold increase in income propelled by technological advancement and capital accumulation.<sup>3</sup> The realities, on the contrary, is that although there has been increase in the economic output by several times, the struggle for subsistence is not yet resolved. The technology, instead of reducing working hours for labourers, seems to have abolished it. The consequence has been the creation of leisure time, not in a productive way, but in the form of unemployment or underemployment. This trend needs to be reversed urgently to check further accentuation of the existing rural–urban and socio-economic disparity. The priority ought to be directed in favour of labour-intensive manufacturing, preferably small-scale industries.

#### NOTES

- 1 Despite being a non-specialist, his insights into the significance of labour and employment are unprecedented.
- 2 Job-loss growth is defined as a net decline in employment in the presence of positive output growth.

- 3 Although it was predicted in the context of developed countries, it has broader implications for developing countries in the present globalised world.

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# Fratricidal Violence and Indian Political Thought

RAJSHREE CHANDRA

The ideological and political origins of fratricidal violence—that resulted in one of the bloodiest divisions of people, and that continues to mar much of our contemporary political lives—remain an understudied and under-conceptualised area of scholarship. Shruti Kapila's *Violent Fraternity: Indian Political Thought in the Global Age* is an important, thought-provoking study that seeks to fill this gap. Straddling the disciplinary fields of history, political theory and philosophy, Kapila's ambition is to explore the ideational content and conceptual moorings of this violence. Did the centrality of violence in the ideas of major "ideological innovators"—Bal Gangadhar Tilak, the Ghadarites, M K Gandhi, B R Ambedkar, V D Savarkar, and Muhammad Iqbal—advertently or inadvertently inscribe violence as an ethic of our political subjectivity, legitimising its use for a just cause? Kapila explores the canvas of 20th century political thought of key political actors to investigate this question.

The book makes three key arguments: First, it argues that political ideas of all major political actors were "fixated by the question of violence, not excluding the apostle of non-violence, Mahatma Gandhi" (p 4). Their political consciousness, as also their conceptual repertoire, were mediated by and formed in relation to the question of violence. Gandhi's ahimsa, Tilak's invocation of Gita's "just war," Ambedkar's proposal to annihilate caste, Savarkar's cult of the masculine, virile warrior all addressed and in turn were constituted by questions of violence.

Second, it proposes that violence and enmity should be seen as an aspect of intimacy. It was neither the "fabricated foreigner" nor the "invented internal enemy" that was salient. The foe was the "intimate brother and kinsman with a

## BOOK REVIEWS

**Violent Fraternity: Indian Political Thought in the Global Age** by Shruti Kapila, *Princeton, New Jersey: Princeton University Press, 2021; pp 328, \$35 (Hardcover).*

potential for destruction" (p 7). This violence, as stated in the context of Tilak, became "politically meaningful only when directed towards the familiar kin or the intimate kin" (p 132). "Hostility and enmity" as Kapila explains, "gained significance and salience from intimacy" (p 93).

The book unfolds the complex ways in which ideas of intimacy and enmity unfold. For example in Tilak, the *Mahabharat*, *Bhagavad Gita*, Shivaji's utterances, the story of Prahlad, Arjuna killing to restore moral order, all became sources that fostered an ethics of just rule and just violence. It was desirelessness (Ramanuja's *nishkama karma* [selfless or desireless action] and Gita's *stitha prajna* [calm, content, free from desire]) rather than self-interest or happiness that sustained both the ethics of just war and the possibility of life in the collective.

Gandhi is a departure. The very idea of fraternal violence, even towards an enemy, is an affliction and an aspect of evil that diminishes our capacity to be human. Much of Gandhian practice of sacrifice and fasting, therefore, was directed against removal of this violence. As the book states,

[t]heir most fateful reckoning was to be in the domain of fraternity, in relation to Hindus and Muslims, and Hindus and caste. (p 150)

In Savarkar, the intimate foe was a source of vulnerability and enmity. In Buddhism, Savarkar was able to "identify an enmity that was not foreign, but decidedly domestic" (p 110), one that "militated against the formation of nationality in India" (p 175). In Muslims, Hindutva found its biggest enemy—intimate for the long history of blood and soil that

they shared with Hindus, but an enemy nonetheless as its *punyabhu* (holyland) lay outside the boundaries of India.

Third, the book demonstrates how violence was posited as an individual and fraternal capacity through the thought and political practice of key political actors. This, the argument goes, divested the state of its monopoly over legitimate violence, altering the very conditions of sovereign power. In establishing the individual political subject as having a legitimate and moral potential for violence, what Kapila calls the "Indian Age" unmoored the necessary relationship between state, sovereignty, and violence (pp 155, 275–76).

An anti-state subject was thus fashioned as a site for both violence and sovereignty. The roots of fraternal violence lie in here—in the varied yet similar, differing yet mirroring political ideas of influential, inventive nationalist political actors of the 20th century. The political, literary, and theological roots of our intellectual tradition and their adaptations in the ideas of these thinkers, affirmed the idea of a sovereign self who could fight for a just cause and wage a just war.

The state then becomes devoid of both moral and political capital that made it the sovereign subject. Rather than borrowing from the available vocabularies of liberalism, Marxism, or communism, key political thinkers departed from the set canons. They delved into their own historical, intellectual and cultural traditions to fashion new ideas of sovereignty and republicanism that were centred not around the state but instead around an "anti-statal" political subject. The book explicitly states that for Indian political thinkers, the "modern state" was not seen as the central norm or as a destination of modern politics. It is the centrality of anti-statism that laid the foundations of an anti-statist political subjectivity, one that "marked out a violent fraternity for the making of a republican sovereignty" (p 10)

There are two inter-connected strands running through the book—the discursive shaping of the "non-statist political subject" and the making of a "violent

fraternity.” A violent fraternity was born, the book argues,

at the limits and ends of colonial covenants, that circumvented, if it did not destroy, liberal ideas of contract, positing instead the ambivalence of intimacy and hostility centered on the anti-statist political subject. (p 9)

This is a sweeping claim and one that lets down the very original and important conceptualisation of fraternal violence as having a uniquely Indian life. The core thesis appears overdetermined by the framework—of a necessary correspondence between anti-statism and fraternal violence—at three levels.

First, the idea of fraternal violence underplays both the history and the significance of “non-fraternal” violence. The enemy was not always intimate. For instance, Ghadar networks across the British colonies acquired significance through their uncompromising and wide-ranging anti-colonial movements. Radha D’Souza and Kasim Ali Tirmizey’s important work on the history of the Ghadar movement documents the anti-imperialist resurgent potential unleashed by the Ghadarites against enemies that were foreigners, colonialists and intruders (D’Souza and Tirmizey 2018). Again, in Tilak’s anti-colonial campaigns, or in Savarkar’s valorisation of the 1857 “great war of independence,” the enemy was not necessarily fraternal. And violence did not always acquire salience or become politically meaningful *only* when directed towards the familiar kin or the intimate. Fraternal violence and the intimate enemy did not exhaust the possibility of other forms of enemies and non-fraternal violence.

Second, the book underplays the ubiquity of “modern nationhood” and its quest that mediated the conceptual and political repertoire of most political actors of those times. While it is true that key political actors and thinkers of the 20th Century innovatively fashioned a non-statal political subject—Tilak through his “political theology,” Gandhi through Swaraj, Iqbal through *ummah millat* (community), Ghadarites through an international association of the marginalised—it is not often the case that they displaced the salience and the quest for nationhood (barring a few like Rabindranath Tagore, Gandhi, and Iqbal).

Kapila’s thesis comes under strain when we consider the contrasting positions on nationhood between those who ideologically and politically rejected it and those who subscribed to it (even if with “Indian innovations”). For example, whereas Iqbal’s *ummah* assiduously refused to conflate the social and the political (or even territory with community) for a remaking of the political community, Ambedkar’s idea of social justice and nationhood was premised on making the social relevant for the realm of the political. The conceptual repertoire of rights, contract, and liberty continued to shape Ambedkar’s political vocabulary. Unlike in Iqbal, or in Gandhi, the political subject was not anti-statist. On the contrary, his idea of social justice drew vitally from the liberal and democratic language of rights, representation and democracy.

In Savarkar too we find an articulation of the statist subject. Rather than fratricidal violence animating a conception of the non-statist subject, nationhood in Savarkar was inspired by thinkers like Mazzini and templates of “European nations like Germany, Russia and others, renowned for their tall and sturdy soldiers (Savarkar 1971: 431). The fundamentals of Savarkar, as Nandy argues, “came from conventional European wisdom about nation-building and state-formation” and he owned up the “motive force” of Western nationalism as his own (Nandy 2009).

Many of the key political thinkers of those times innovated, ideated and remade concepts “over and above the fidelity to any received ideology” (p 13). But the larger truth is that ultimately the encompassing arch of nationalism tamed, blunted and mutated the potential of these innovative insights. It is for this reason, perhaps, why differing and conflicting positions on both violence and fraternity failed to assert their distinctions in the 1947 fratricidal “civil war” (pp 117, 182, 188, 191) and quest for two separate nations.

The paradox is that at the business end of nation-formation, when the political was to be institutionalised and materialised, almost all intellectual innovations ended up with a subscription to Western precepts. Political thinkers and

stalwarts wanted freedom from the political, cultural and ideational domination of the West and wanted to be free and independent in an “Indian” sort of a way. But the larger context and milieu of nationalism eventually subsumed the political, epistemic and moral innovations of the “Indian Age.”

For example, Iqbal’s conception of the state—drawing upon Islamic rather than colonial ideals—ended up being dramatically at odds with the history of the post-colonial, modern nation state of Pakistan. Gandhi’s antipathy towards the modern state and modern industrial apparatus found relevance only in watered-down provisions of political and economic decentralisation, neither of which ran counter to the idea of Indian nationhood. Tilak’s political theology did not yield him a set of political principles that could help conceptualise a “swaraj” in terms other than representative institutions and limited government.<sup>1</sup>

There is in nationalism an inescapable imperative, a “general logic” as it were, that tames the profusion of alternate, plural idioms of political subjectivity. In fact, if there is one thing that animates the myriad instances of fratricidal violence—right from the Swadeshi movement of 1905–08, to Partition, to caste killings, communal “riots” and pogroms in post-independence India—if there is one idea that stokes these fires, it is the idea of nationhood. It is the “statist subject” that seeks to “kill and die” (p 19).

Third, the book misses its political potential by under-considering the distinctions between different ideas of “fraternity” and “violence” at work in these thinkers. While Gandhian fraternity sought to unite Hindus and Muslims, Harijans and Savarnas, Savarkar’s Hindutva sought to drive a wedge, casting the Mohammedan as the enemy—who is necessarily

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disloyal, untrustworthy, invaders, *dharm-nashak* (destroyers of Hinduism), and an invalid citizen. While Gandhian techniques of satyagraha sought to expunge violence, power, and hatred from fraternal bonds of caste and community, Savarkar's Hindutva was intended to unite Hindus through their common hatred for a fraternal foe. While for Tilak, "sacrifice and killing understood as duty could therefore only apply to the exceptional event" (p 46), revolutionary violence against tyranny and injustice had a profound impact on Ghadar thought. Gandhi shuns the language of violence, Tilak accepts it for a just cause, and Savarkar recommends its use for the self-definition of Hindus as a people and India as a nation. The book leaves unexplained why, among the differing genealogies of violence and fraternity, the idea of "fraternal violence" becomes the defining aspect of political subjectivity and history?

A small point about an "absence" that struck me. For a book of this sweep, and for a book that is attentive to the many ways in which a non-statal subjectivity

was being fashioned, the absence of Tagore is striking. Tagore shunned the language of the modern nation state and the idea of exclusive self-interest that lay at its heart. In a beautiful poetic lament he said, for instance: "The hungry self of the Nation shall burst in a violence of fury from its own shameless feeding" (Tagore 1917: 134). This is a critique that fostered a "watchful attitude of animosity" (Tagore 1917: 98) towards the institution of the nation state as such, and Tagore's perspective would have been particularly relevant for the claims of the book.<sup>1</sup>

An analysis of intellectual traditions—with its myriad genealogies, theological and moral complexities, and mutations—is never an easy task. It is to Kapila's credit that through a careful and astute reading of historical sources, she challenges the comfortable consensus around facile, simplistic conclusions about our mutual animosities and violent potentials. Given how ubiquitous violence has become in our lives, and given how enemy-hunting has become a national pastime, the question, "why are we so violent?"

will always remain a relevant one, as will this book.

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## NOTE

- 1 Tilak was once asked in Calcutta if he envisioned a prototype of Maratha rule for independent India. His answer was that, "the Maratha dominated Governments of 17th and 18th centuries were outmoded in the 20th century and he wanted a genuine federal system for Free India where every religion and race was an equal partner." See [http://www.tmv.edu.in/pdf/Distance\\_education/MA\(English\)/Indian%20Literature%20in%20English/Ch-7.pdf](http://www.tmv.edu.in/pdf/Distance_education/MA(English)/Indian%20Literature%20in%20English/Ch-7.pdf).

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## Politics of Planning in Post-independent Bangladesh

HABIBUL HAQUE KHONDKER

The very idea of a "Planning Commission" conjures images of a group of seasoned apparatchiks in a cold, damp, smoke-filled room contemplating where the economy would go in the next five years. In fact, state planning in a neo-liberal world was progressively becoming a relic, an antiquated institutional part of the government with little relevance, in one word—a shadow of its earlier incarnation. Although, a small revival has taken place as national governments are tasked to implement and report Sustainable Development Goal (SDG) achievements, etc, to the international organisations. But in the 1960s and 1970s, when socialism and the socialist model mattered—sometimes as a model for pursuing economic development or as a

**Untranquil Days: Nation Building in Post-Liberation Bangladesh** by Rehman Sobhan, New Delhi: Sage, 2021; pp 384, ₹444.

counterweight to the Western, capitalist model—most developing countries had robust planning commissions.

One might be excused for being sceptical that the memoirs of a planner can be interesting, but this is no ordinary planner. The author, Rehman Sobhan, distinguished himself as a "politician economist" (in his own words) in addition to being a political economist with a long association with the nationalist struggle in Bangladesh. He was a freedom fighter who dedicated a large part of his professional life for the cause of the liberation of Bangladesh, first as a firebrand public

intellectual, pointing out the mechanisms of the exploitation of Bengalis by the Pakistani establishment and later as a policymaker in the new nation. And the book under review, *Untranquil Days: Nation Building in Post-Liberation Bangladesh*, is much more than the memories of a technocratic planner.

### Rooted Responsibility

In the context of the newborn Bangladesh, the Planning Commission was not just an arm of the government, it was charged with the responsibility of planning for rehabilitation, recovery, and charting an economic growth strategy for the country with a population of about 75 million, the vast majority of whom were poor.

The mandate was heavy and daunting while resources were woefully inadequate. And the expectations were unrealistically high. The only silver lining was the commitment of the people who ran the commission as well as that of the founding leader of the country, *Bangabandhu* Sheikh Mujibur Rahman. It was not only the institution but also the people who ran

the body that counted because they were handpicked by the founding leader of the nation. They were not just a select group of highly talented economists with a solid academic pedigree—hailing from Cambridge, Harvard, and London Universities—they were also involved in advising Sheikh Mujibur during the struggle for regional parity, economic justice, and political rights that percolated into a war of national liberation. Three of them were among a team that helped draft the election manifesto of the Awami League, which swept the party to a landslide electoral victory in 1970.

As close confidants of the founding father of the nation, they were not just technocrats but earned their positions by becoming part of the nationalist struggle. Some of them were actively involved in the liberation war working with the provisional government in exile as planners, for example, Mosharraf Hossain, or Sobhan himself, as a roving ambassador.

This is the second volume of the author's proposed three-volume memoir. The first volume, *Untranquil Recollections: The Years of Fulfilment* (Sobhan 2016) ended as he landed at Dhaka airport from Kolkata on an Indian Air Force Dakota plane on 31 December 1971, having left Dhaka on 27 March 1971, traversing the Western capitals as a roving diplomat for Bangladesh on a shoestring budget. Sobhan is not only a committed economist with progressive views who identified with the causes of the ordinary people, despite his privileged background, but is also a gifted and engaging writer—qualities that most economists are not usually accused of. The book becomes interesting not only because of its rich contents, which are presented with great insight into the crucial years of the formative years of Bangladesh, but also the literary style in which the memoirs are crafted. A subsection, for example, is titled, "From Heart to Hart" (p 226), where the author was referring to his aid diplomacy with the British overseas development secretary Judith Hart while on an aid diplomacy mission to the United Kingdom. Sobhan met Hart when she was a member of Parliament during the liberation war for Bangladesh. At that time,

Sobhan was scouring the Western world, drumming up support for Bangladesh and campaigning to turn off the aid supply to the murderous regime of Yahya Khan (pp 226–27).

Such international contacts were commonplace for the members of the Planning Commission. In another instance, when the World Bank was making overtures to set up its mission in Dhaka in the post-liberation phase—in a climate of suspicion against Western donors in a socialist Bangladesh—they consulted Nurul Islam, the deputy chairman of the Planning Commission asking for their preference for the World Bank resident representative in Dhaka. The commissioners asked for the appointment of Just Faaland, a development economist and director of Chr Michelsen Institute, Bergen, Norway, and a friend of Bangladesh, who served on the Harvard Aid Group during the Pakistan days (p 206). The World Bank complied. Such leverage, to put it plainly, is highly unusual.

Sobhan also knew the vice president of the World Bank in charge of South Asia, Peter Cargill from his days of diplomatic activism on behalf of the yet-to-be-born Bangladesh. Later when the World Bank president Robert McNamara visited Bangladesh, he was given a lukewarm reception (p 204). That the socialist-leaning government turned a cold shoulder to McNamara may look tactless with hindsight today, but in the context of heady formative months of national construction within a supposedly socialist framework, it was quite rational. The ambivalence towards the World Bank was but a reflection of the climate of ambivalence towards the West that vitiated the new government. Beliefs and ideologies are as real as hard material facts on the ground. And the problem of Bangladesh in those formative days was to go or not to go all the way towards the socialist system.

### **Ideological Battles**

The crucial challenge in those days was that while some in the government, including Sheikh Mujibur, wanted to see Bangladesh develop as a socialist state, others were ideologically inclined to pursue the path of a capitalist development.

The planning commission's mandate was to formulate policies that would translate the socialist ideals of the founding leader and that of a section of the Awami League into policy. Another section of the government followed the line of Khondaker Mostaq Ahmad (p 135) and—supported by the mainstream of the bureaucracy—tried their best to steer the path of pro-Western capitalist development. Such tensions vitiated the government and made the planning commission's task daunting. The Planning Commission comprised Anisur Raham, a Harvard trained economist, who Sobhan regarded as "an idealist" (p 83) because of his unflinching commitment to the causes of the people to socialism, while Mosharraf Hossain was regarded as "a pragmatist" (p 85) as was the deputy chairman Islam, another Harvard alumnus. Sobhan, described himself as an "incurable optimist" (p 89) who later turned out to be an impatient activist.

The ideological battle, fought within the government, had its roots in the politico-economic circumstances as much as in the geopolitical environment of the time. The Awami League, as a political party that was at the helm of the nationalist struggle, was not distinguished for its socialist credentials. A centrist party found itself polarised towards the socialist path, in part due to the radicalisation of the liberation war. The then Prime Minister, Tajuddin Ahmad, was socialist leaning, if not a card carrying socialist. Moreover, the international support Bangladesh received from the socialist bloc of countries by default during and immediately after the liberation war pushed Bangladesh on the socialist side of the global divide in the early 1970s.

The book deals with several highly important topics, some of which are even of a sensitive nature. Not that Sobhan divulges some yet to be known state secrets—except, some evidence of Pakistan's Prime Minister Zulfikar Ali Bhutto's role in destabilising Sheikh Mujib's Bangladesh (p 274). But fresh perspectives try to add depth where popular "knowledge" is often without evidence and reliant on fake news. Uncritical acceptance of myths and lies with little regard for truth is not alone a phenomenon of what

we call “post-truth” society today, dominated by fake news. Sobhan shows the dominance of lies and fake news created by some of the left-leaning newspapers—*The Holiday*, *Hoq Kotha*, etc—in the formative years of Bangladesh. The main purpose of such propaganda-spewing broadsheets was to destabilise the Awami League government (pp 296–97).

Sobhan provides an example of Bhutto’s role in destabilising the Awami League government by citing Stanley Wolpert’s well-researched biography of Bhutto (p 274). Wolpert (1993) found in his research on Bhutto’s biography a letter from Abdul Haq, the secretary general of the East Pakistan Communist Party (Marxist–Leninist) to “My dear Prime Minister,” dated 16 December 1974 (Dacca). The letter reached Bhutto on 6 January (Wolpert 1993: footnote no 3, 317) when he minuted on its margin “Important,” authorising “help” for this “honest man” who Bhutto rated as fairly effective (Wolpert 1993: footnote 3, 317). Sobhan does not mention Bhutto’s second track of deploying agents in destabilising Bangladesh through Islamist connections (Wolpert 1993: footnote 4, 317). But Sobhan accurately analyses the role of the extreme left (Maoists) and the right-wing Islamicists—both defeated forces—in destabilising post-independent Bangladesh.

### **Shifting Political Grammar**

The important topics covered include Bangladesh’s relationship with India and the context for the switch to the formation of Bangladesh Krishak Sramik Awami League (BAKSAL), from nominally multi-party rule towards virtually a one-party state. In later discussions, BAKSAL has been much maligned where opponents presented it as a sign of the Awami League’s departure from its commitment to democracy in favour of autocracy. Yet, one often ignores conveniently the fragile economic condition in the absence of national mobilisation and a fragile political system with rapidly declining law-and-order situation in the country when bandits often outgunned the law enforcers. This was not to provide a rationale or justification for the implementation of the BAKSAL rule that was

introduced on 24 February 1975. Sobhan views it as a social—almost a socialist—experiment that was not given adequate time to bear fruit as a regime change took place in mid-August 1975.

Sobhan resigned from the Planning Commission in September 1974 and thus was not privy to the discussions that led to this tectonic political shift. He appears uncomfortable with the idea of a one-party state. As the head of Bangladesh Institute of Development Studies, he was not in favour of marching to join BAKSAL as several other organisations were doing at that time. His ambivalence towards BAKSAL is understandable as he recommends impartial and evidence-based research to document that transformational period in Bangladesh’s history.

### **Relationship with India**

Sobhan touches boldly the sensitive subject of India–Bangladesh relations. He goes to the heart of the anti-Indianism so widely prevalent in Bangladesh. He probes the role of post-truth (not his term), the lies and baseless propaganda that mired the India–Bangladesh relations and provides a larger, historical context. Regarding the relationship of India, many fail to understand that in the formative years, Bangladesh was heavily dependent on external assistance not only to recover from the shock of the war and rebuilding a war-devastated economy, but also for survival. In the initial absence of Western donors dominated by the United States (US), a superpower that opposed the very creation of Bangladesh was left with India as the principal aid-giver at a time when India too was an aid-receiving country. Neither China nor Saudi Arabia could be accessed for assistance, as they did not recognise Bangladesh in the early days. It took some time and investment of diplomatic skills, through which Bangladesh could access some assistance from petrodollar countries.

Bangladesh had hardly any trading partners at that time, hence, almost by default, India became the most important trading partner of the fledgling country. In view of the importance of the relationship with India, the distinguished

members of the Planning Commission requested that someone who is not only knowledgeable about Bangladesh but also had empathy for the people should be sent to work with them. The commission lobbied with the insiders of the Indian government; they reached out and persuaded P N Haksar the indomitable adviser and principal secretary of Prime Minister Indira Gandhi to deploy Arjun Sengupta as the economic minister in their Dhaka mission so that the communication and economic cooperation between India and Bangladesh proceeded without a hitch (p 239). Again, it was no mean achievement to influence a larger neighbour to decide who should be stationed in Dhaka. These were bold steps, beyond the purview of their briefs. Later, the Planning Commission moved to build a more equitable relationship with the Indian Planning Commission. It was decided that both the planning commissions would meet regularly across the table to discuss coordination and avoid bureaucratic red tape.

### **Genesis and Idealism**

The Planning Commission’s genesis was laid as a planning board when Sobhan advised Prime Minister Tajuddin during the liberation war to prepare plans for a post-liberation Bangladesh (Sobhan 2016: 405). The board was under the charge of Hossain, a fine economist with exceptional credentials, as Sobhan left India for the West to drum up support for the cause of Bangladesh and constrict aid flow to Pakistan.

In post-liberation Bangladesh, because of their direct access to the Prime Minister, the members of the commission enjoyed some immunity and Sobhan sometimes overstepped his brief. He was essentially a doer—with or without authority. He would overstep his brief as and when needed, risking his job and reputation. But an unflinching love for the new county and a deep sense of responsibility pushed him to reach for the moon. His loyalty to the Prime Minister was undisputed as was his deep sense of patriotism.

A man of integrity, an idealist to a fault, Sobhan was an impatient doer. He cites instances in his memoirs that when on

field visits, he promptly took action to resolve problems caught up in bureaucratic red tape and inter-ministerial wrangling. His “extra-curricular” (in his own words) (p 182) activities did not endear him well to the various ministries. But such small inconveniences did not detain him from doing what he thought would be the best for the new nation as he had invested his time and energy and risked his life for the realisation of the nation’s independence.

On one occasion, Sobhan reported that he visited the Chhatak Cement Factory in Sylhet and found a huge amount of cement lying the unsold (p 181). Across the river, he found a state factory under construction, with work at a standstill because of the lack of supply of cement. Sobhan overstepped his brief and gave instantaneous orders to ship cement across the river, thus killing two birds with one stone. He was not admonished for his stepping outside his portfolio but earned the disapproval of the Ministry of Commerce.

### Unsung Heroes

Had the book confined itself to such nitty-gritty, everyday details of his time with the Planning Commission, the book would be an engaging read with lots of rich lessons. Students of governance would find the book invaluable. But the book is more than just a memoir of a planner whose ambitions guided by idealism and raw patriotism met with the roadblocks of realpolitik and bureaucratic red tape. Idealism was not widely shared, nor was patriotism in the post-independent Bangladesh. Many saw 16 December as the culmination of a long-drawn-out struggle and took time out to enjoy the fruits. Others like Sobhan saw it as the beginning of a long and arduous journey to achieve the goals of an egalitarian society based on social justice. Sobhan was not alone. He lavishes praise on engineers, heads of corporations such as Rafiquddin Ahmed or civil servants such as M Syeduzzaman who were unrivalled in their patriotism and dedication to their duties yet remain unsung heroes. Here, the book is truly uplifting as you get to know the heroes of the nation, whose names

never appeared in the newspapers or on television.

### From Close Quarters

The book stands out for going beyond the brief—the story of planning and governance. It deals with several sensitive subject of huge national significance as indicated earlier. He provides a ring-side view of the relationship between Bangladesh and India. He deals with the politics and the political economy of those turbulent years, the most crucial in any nation’s history—the history of economic destruction, recovery, rebuilding brick-by-brick under unfavourable circumstance, underpinned by Bangladesh’s exposure to the tensions of international politics. The us was unhappy when Bangladesh was born, the us–China axis saw the birth of Bangladesh as a failure for their own policies. The Richard Nixon–Henry Kissinger duo saw the birth of this new nation as a personal defeat and Nixon loathed Indira Gandhi at a personal, visceral level. The Muslim world, headed by Saudi Arabia, saw the emergence of Bangladesh as an affront. Both Saudi Arabia and China withheld recognition of Bangladesh until 15 August 1975 (p 235).

The book also reveals glories, joys of success as well as pains of failures. It was also a book about his own education. His emotional attachment to the creed of socialism was disturbed when he visited the socialist countries to negotiate aid and assistance through loans to Bangladesh. The apparatchiks were cool-headed, cold, and talked business about the rate of interest and not brotherhood through the socialist ethos of solidarity. He came across more socialists in Harvard’s economics department than in the socialist countries. It was a story of triumph and failure.

Sobhan and his younger brother Farooq Sobhan, a young diplomat, went on missions to some of the socialist countries and extracted concessions from their counterparts by meeting the top leaders in those countries. These are no small feats. The examples demonstrated the role of competent persons, and of their honesty and integrity in achieving national goals. In one trip to Hungary, the reception team, headed by a state minister, was somewhat

unhappy as they waited to receive Sobhan at the tarmac and expected to meet their guest as the first to emerge from the plane. But as Sobhan, following the rules of the budget-conscious Bangladesh government, travelled economy class, he was among the last to disembark.

The book covers the period from January 1972 to October 1975 when he left Bangladesh following the regime change when Sheikh Mujibur and his family and other relatives were assassinated (p vi). Sobhan explores the heinous murder and the events that led up to this great national tragedy. Here, he records his encounters with Major General Ziaur Rahman, one of the beneficiaries of the regime change. In Zia he saw a man of ambition but also as a man who failed to discharge his legal obligations. Zia came to see him in January 1972 along with Khaled Musharraf, two war heroes, soon after Sobhan’s return to Bangladesh when he was lodging with a friend at Dhanmondi (p 25). Zia also visited him at his residence after he left the Planning Commission to discuss the economic future of the country. Sobhan’s unstinted support for Sheikh Mujibur probably disappointed him (p 281).

Sobhan was unrepentant in his support for an egalitarian society as it was the vision of Sheikh Mujibur and his own dream. Critical of briefcase capitalism, Sobhan recognises the role of creative entrepreneurs in taking Bangladesh to its present level of economic development. But he is not happy with the unequal development where state-backed elites live like their Western counterparts while the majority live in poverty and hopelessness. He thinks the Bangladesh that Prime Minister Sheikh Hasina has shaped has done well in terms of economic development, but the present Bangladesh is not the one of equality and freedom that her father, the father of the nation sought.

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# Towards a New Direction of Disciplinary Histories and Practices

MAHUYA BANDYOPADHYAY

**S**ociology and Social Anthropology in South Asia: Histories and Practices is a vibrant collection of essays venturing to ask the difficult and uncomfortable questions of our practice as sociologists and social anthropologists and our troubles in reimagining the discipline to forge local connections and seek global relevance. The volume dips into the concerns of epistemic silences, conceptual erasures, the general crisis in theories and methods and the philosophical anchoring of the discipline of sociology and social anthropology in the South Asian region. What are the defining categories of sociology in India? How do we write and represent what we experience through fieldwork? How is the experience of fieldwork grounded in concepts and categories? How do we remain relevant to our students, chosen fields, and discipline? Some of these questions were articulated in the edited book *Towards a New Sociology in India* (Bandyopadhyay and Hebbar 2016). These questions resonate here with a broader focus on South Asia as the volume articulates what a project of South Asian solidarities and a focus on the region might look like for the disciplines of sociology and social anthropology.

The book interrogates the “dominant-subordinate epistemic frameworks” and disciplinary matrices, relevance and applicability of knowledge, the transcendence of crises in disciplines, and mimicry of the West concerning sociology and social anthropology. One of the continuing concerns and criticisms of sociology and social anthropology in India has revolved around the imitation of the West in terms of theories, methods and concepts of doing sociology. Such uncritical acceptance of Western categories and methods in studying Indian society (Bandyopadhyay and Hebbar 2016) emerges from the cultural distance between modern intellectuals (sociologists included) and ordinary people, and the pervasive xenophilia among

**Sociology and Social Anthropology in South Asia: Histories and Practices** edited by Ravi Kumar, Dev Nath Pathak and Sasanka Perera, *New Delhi: Orient BlackSwan, 2018; pp 336, ₹1,075.*

the Westernised elites and their apathy towards social realities of the ordinary South Asian. In grappling with such mimicry of the West, the authors build a case for studying South Asia—not through simply unifying categories of thought and experience—but through ideas and concepts that emerge from interrogating social structures, practices, and identities across the region. Making full and productive use of a comparative perspective and recognising the larger geopolitical context and forces would enable such productive dialogues, sans their slippage into unilinear power matrices. The volume presents a group of scholars questioning the status of “insiders” and reflecting on any accompanying claims of being “enlightened.”

## A New Sociology

In the introduction, the editors lay down the possibilities of thinking anew a sociology of the region with a radical, transformative and self-reflective focus. The ideas of “novel possibilities of a new sociology” cannot be seen in a void and must be adequately historicised; the editors remind us. Attempts at such historicisation—examining disciplinary practices and their shifts—have been selective. Consequently, some scholars and their ideas have always been at the margins of the disciplines. Even though the book began for me with the promise of articulating the (dis)contents of sociological and anthropological thinking on South Asia from these margins, it does not deliver on this promise. So in my reading, its value and novelty also become its drawback.

Having dispensed with this critical thought, I now proceed to the brick-and-mortar questions at the heart of the book. The book makes a strong case for a focus

on South Asia, moving beyond simplistic cartographic and geopolitical imaginations and outlining various aspects that make South Asia a subject of scholarship. Its disciplinary, academic and thematic relevance can be viewed in terms of multiple, overlapping and distinctive sociabilities that emerge with the flow of ideas, knowledge, information, capital, technology, art, and cinema. Proximities and conflicts permeate these flows, as do more significant global trends. The volume evokes the idea of South Asia with a collective personality and attempts to think about the kind of epistemic context that can grow from these proximities and conflicts.

The book is divided into three parts. Part 1 of the book presents a discursive frame to examine the legacies and practices of sociology and social anthropology in the region and reflects on the relevance of the disciplines in understanding the “contemporary.” This discursive frame reveals the unequal and dependent relationships in the practice of these disciplines, which present scholars with valid and legitimate themes and topics of research and theoretical and conceptual categories to study them. How does a scholar engage with these creatively and think about the alternative, grounded theories without rejecting the Western epistemic frames altogether?

Siri Gamage addresses this question in Chapter 1 of this book. A simple replacement of concepts and theories is not enough, Patel reminds us, as the “infantilisation” of scientific practices of the global South runs deep. One is left wondering what these practices of the global South are. Do we have any to call our own? Are we not just mimicking Western practices, building university routines and disciplinary contexts in synergy with ideas of ranking, journal views and ratings, and indices that measure the impact of what we research and write? Some essays in the volume ask these difficult questions. A few others are trapped in the presentation of the idea that we are confined to the hegemonic discourses of the global North. The practice of our disciplines is much more than that, as several essays in the volume reveal. Gamage, for instance, provides a handy listing of possible focus areas that may enable the

emergence of a regional framework across diverse national contexts. Some of the suggestions that I found particularly valuable are: not to critically examine the colonial matrix of power but to examine the emergence of hybrid institutions, and ways of thinking and doing and their linkages to neo-liberal models of governance and action; finding ways of resurrecting indigenous knowledge; reflecting on the role of local elites, and the ruling classes in shaping contexts of epistemic dependence and the continuation of colonial ideas, practices, and institutional frameworks.

Part II of the book was the most exciting for me as it comes closest to fulfilling the promise of interrogating the legacies of these disciplines in South Asia to dismantle established hegemonic ideas and routines of disciplinary practice. One step in this direction is in Sasanka Perera's insightful articulation of the insignificance of the divide between sociology and social anthropology in Sri Lanka and its resonance in India, through the practice of sociology and specifically, as evident in the writings of Andre Beteille. However, what is interesting to note is the existence of separate departments of sociology and anthropology in Indian universities and the limited dialogue between these departments. In Perera's essay, there is a

genuine engagement with the "how" question—how can our practice of sociology and social anthropology allow for cross-border interpretations, collaborations and knowledge building? Through a presentation of the history of the discipline in Sri Lanka, Perera demonstrates that the agenda for sociological research has not been locally grounded or formulated. His chapter makes a case for a fuller self-reflective review of the discipline and its practice in Sri Lanka to emerge from its dismal state.

In a similar vein, Ravi Kumar sees "possibility" in developing a "critical sociology" in India, which has the potential to come up with categories with cross-border application and relevance. Following this question, Shaikh Mohammad Kais and Kalinga Tudor attempt comparative readings of concepts and themes across borders. Kais works with a notion of hybridised sociology—blending two or more sociological traditions. Can it have an emancipatory potential when this blending is one-sided and the result of the "captive mind"?

The final part of the book offers some possibilities and suggestions for transcending the crisis of captivity that sociology finds itself in, in this region. These chapters pertain to the disciplinary contexts

in Nepal, Bhutan, and Afghanistan. They indicate contexts where we might work to create regional solidarities through thematic research and expand our view of the discipline through new areas, sites and methodologies of research. The volume is commendable for expanding our understanding of the practice of sociology and social anthropology and bringing together scholars from Sri Lanka, India, Bangladesh, Nepal, Bhutan, and Afghanistan. It is also valuable as it sensitises the reader to the possibilities of a comparative perspective and the building of solidarities to present a "regional" sociology of South Asia. I wish to end with an idea from Roma Chatterji's thoughtful foreword to the book—of concepts emerging from "unexpected places." One hopes that this book will lead other scholars to mine concepts from such places in their "fields" or their readings of non-Western scholars.

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# Seasonal Variations in Childbirth

## A Perspective from the HMIS Database (2017–20)

APOORVA NAMBIAR, DRIPTA ROY CHOUDHURY, SATISH B AGNIHOTRI

The analysis of seasonal variations in births in India, using the Health Management Information System data for three pre-pandemic years, reveals a distinct trend of peaking of births during the August–October window and dips during February–March. This trend attenuates as we move from the north-western regions towards the south-eastern regions. These findings will help scholars, policymakers, and the health system to prioritise the delivery of maternal and child services.

The authors acknowledge the help of the members of the nutrition team of the Centre for Technology Alternatives for Rural Areas in checking the internal consistency of the HMIS data and comparing it with the estimates based on the census population and Anemia Mukh Bharat estimates for individual states.

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Births are invariably preceded by conception, which itself is a consequence of cohabitation. For human population, there are no biological interregnum across the seasons towards any of the three steps. Yet, births do show seasonal patterns, and it is of interest to see what these patterns are and what could these imply.

Such an analysis is constrained by the absence of a large-scale data for an entire population and usually the literature reports analyse based on a sample or survey data. Very few data have the reach that the Health Management Information System (HMIS) data offers for India at a granular level of subdistrict and on a monthly basis. We use this data for a 36-month period, from April 2017 to March 2020, just before the onset of the current COVID-19 pandemic. While there are considerable question marks about the quality of the HMIS data on various fronts, the reporting of live births by gender is reasonably robust and complete, at least to the extent of revealing seasonal patterns in births. We used this data to carry out the analysis on an all-India basis with states as the unit of analysis. Later, we propose to take up the analysis at the state level with districts as the unit, as the seasonal patterns can differ significantly within a state as well.

The interest in birth seasonality has not been new. Conception does have its own natural variation across seasons, though it varies in different populations. Documentation of such seasonal variation in conception followed by childbirth was started in the mid-19th century in Europe and India (Villerme 1831; Quetelet 1869; Hill 1888). The very first publication on birth statistics seasonality in India reported maximum birth occurring in September

and the minimum in June, corresponding to maximum conceptions in December and minimum in September when the monthly average rates of birth per thousand per annum were computed for the years 1878–87 (Hill 1888). Climatic comfortability, lesser incidence of morbidity, and every cause of death along with food and economic abundance post the reaping of cereals in November were found to favour conception in December; the dip in conception during September was found to be influenced by low energy levels among people due to the long summer, high disease prevalence like malaria, and the exhaustion of resources such as food, money, and savings. A hospital-based study, in Calcutta during 1850–1901, also reported similar observation, that is, the maximum birth rate in October and the minimum in monsoon months, June corresponding to the optimum condition of conception in December–January, the post-harvest month in Bengal (Das and Mahalanobis 1934).

The maternity statistics from the Institute of Obstetrics and Gynaecology and Government Hospital for Women and Children at Egmore, Madras on 42,206 confinements during 1920–33 found the majority pregnancies to occur in December–January (the coldest season) and the minimum in April–May (the hottest season) (Nair 1936). Temperature appeared as a strong influencing factor where a high negative correlation between the monthly average temperature and the monthly birth rate ( $-0.697$ ) was established using the Fort St George Gazette data in Madras from 1926 to 1938 (Mathew 1941). When 52 cities of undivided Indian provinces before independence were grouped into various climatic regions, using the data from *The Gazette of India* for the period 1930–39, the maximum childbirth was found to occur during September–October in the Bombay Province (present Maharashtra and Gujarat), United Province (present Uttar Pradesh [UP]), Central Province (present Chhattisgarh and Madhya Pradesh [MP]), and Berar–Bihar (present Bihar and Jharkhand), followed by a November peak in Bengal and Punjab Provinces,

whereas a peak in December for Sind (present Pakistan). It indicates that December and January are considered the most pleasant mating season in all cities except the extreme north. Thus, the peak varied based on cold season and pleasantness (Kosambi and Raghavachari 1952). A second peak became profound during March–April in the United Province, Central Province, and Berar–Bihar as the cropping pattern and harvesting season influenced conception. In the region where the major cereal rice is harvested during September–November and the later crop gets ready for harvest in March, two distinct maxima in the birth rate are exhibited. Single peak in December is favoured on the plateau where the kharif crop (sugar cane, cotton, millets, or cash crops) is sown at the onset of the monsoon (end of June to July), just after harvesting (April–May) the rabi crop, and then the kharif crop is harvested during September–October, followed by the sowing of the rabi crop during October–November.

Thus, conception, followed by the childbirth rate in rural areas, is governed by the harvesting and monsoon seasons, cultivation, and labour. But the variation in urban areas is primarily due to the changes in the temperature of weather in terms of pleasantness or comfortability (Bernard et al 1978) for coitus as the employment status remains comparatively stable in the cities throughout the year. Regional variation in conception is also found to be affected by the variation in the time of marriage in the cities (Bernard et al 1978). But in recent times, the peak of the two curves, of a “lagged” marriage (marriage plus nine months) and the first child born, was not found to coincide. The seasonality curve in Faridabad district of Haryana, with the maximum number of deliveries in August–September and the least in April, was not found to vary between couples using vs non-using spacing method (Anand et al 2000). Certain biological issues like irregularities in menstruation during the hot weather (Engle and Shelensnyak 1934) and suppression of spermatogenesis by higher external temperature of 29°C–38°C (Johnston

and Branton 1953; Levine 1999) may also be significant players determining the variations in childbirth.

In India, there are different climatic zones along with varied agro-economical patterns and sociocultural diversities. Thus, understanding birth seasonality across the country based on these indicators is definitely worth investigating. The use of large-scale databases in this regard will definitely be of special help. In India, there are various nationwide demographic databases such as the National Family Health Survey (NFHS), Census of India, District Level Household and Facility Survey (DLHS), and the HMIS. Yet, studies investigating birth seasonality using these demographic databases are scarce. Only one study, using the NFHS data from 1990 to 2005 with the corresponding months, attempted to understand seasonal variations on conception between northern (UP) and southern India (Kerala). In the northern part, the conception was found maximum during November–December and less likely in April, whereas it is more favourable during July–August in southern India but less likely during October–November and February (Singh et al 2020). The present study aims to examine the seasonality of childbirth and corresponding conception throughout India with states as the unit of analysis based on the agroclimatic variations present in the country.

### Data and Methods

The National Rural Health Mission (NRHM), the flagship healthcare programme under the Ministry of Health and Family Welfare (MOHFW), established the HMIS. In 2008, a web-based portal was set up nationwide for timely collection, analysis, and sharing of data and evidence-based decision-making.

The HMIS offers data at a granular level of sub-district and on a monthly basis. We have used the data for a 36-month period, from April 2017 to March 2020, that is, just before the onset of the current COVID-19 pandemic. While there are considerable questions posed about the quality of the HMIS data on various fronts, the reporting of live births by gender is reasonably robust

and complete, at least to the extent of revealing seasonal patterns in birth, as shown through our results.

Monthly data from the HMIS for three financial years—2017–18, 2018–19, and 2019–20—were downloaded from the HMIS portal.<sup>1</sup> The current article explored the seasonality of births in India with states as the unit of analysis. The primary outcome variable was the total number of children born monthly, examined in two ways—in its absolute count and as per cent of the total children born annually. The monthly percentage of births that occurred in India during the study period (HMIS, Financial Years 2017–18 to 2019–20) is presented in Annexure Table 1 (p 45). The rural–urban variations were also analysed for each Indian state.

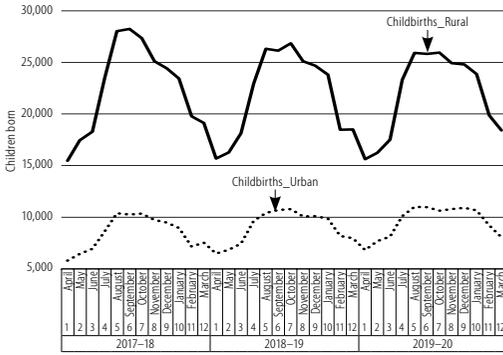
Basic time series analyses were conducted to study the seasonality. The data of the total children born were arranged by the financial years 2017–18 to 2019–20, beginning from April 2017. The state-wise extent of variations in births have been studied by actual numbers as well as by calculating and mapping the standard deviations for each state. All the data were sorted and organised using PostgreSQL and maps were generated using QGIS 3.10.

The robustness of the HMIS birth data was examined by checking for its internal consistency (Figure 17, p 44)<sup>2</sup> and with respect to the census population projections of 0–1 years age group (Population Projections for India and States 2011–36, Census of India) as well as with the Anemia Mukta Bharat (AMB) live birth estimates for all the states (Figure 18, p 44).<sup>2</sup> The number of children born in India in 2019–20 from the HMIS data comes to about 2.12 crore, fairly close to the census population projections (Report of the Technical Group on Population Projections 2019) of 0–1 years age group, which was in the range of 2.37 to 2.31 crore for 2016–21, and the AMB live birth estimates for India, which was 2.64 crore for 2019–20.

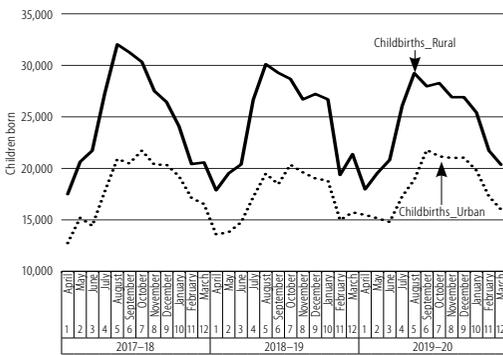
### Results

We look at two parameters—the locus of seasonal variation and its extent, that is, the standard deviation in the data.

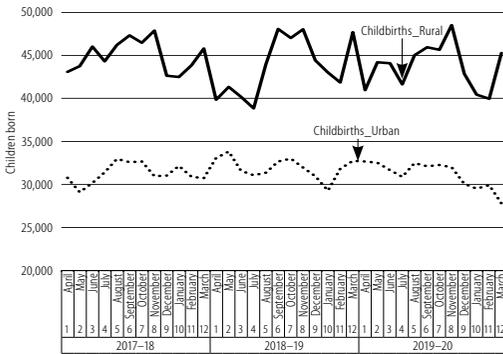
**Figure 1: Birth Seasonality in Punjab (2017–20)**



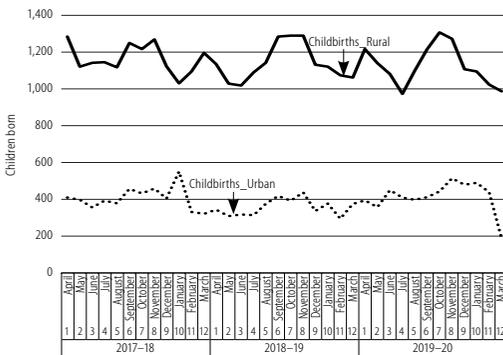
**Figure 2: Birth Seasonality in Haryana (2017–20)**



**Figure 3: Birth Seasonality in Karnataka (2017–20)**

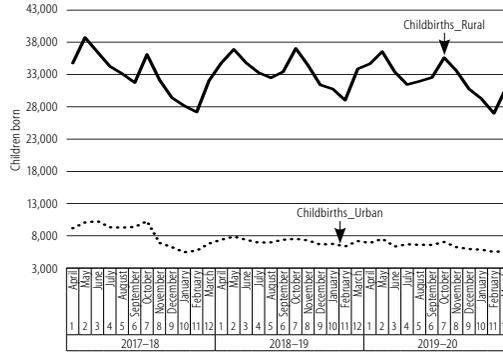


**Figure 4: Birth Seasonality in Goa (2017–20)**



**Seasonality:** A distinct seasonal variation in childbirth exists in India. If there were no seasonal variation in the births, every month would have

**Figure 5: Birth Seasonality in Kerala (2017–20)**



accounted for 8.33% of the total annual births, but that is not the case.

In the northern states, a dominant pattern is seen where births peak in the months of August–September and dip during the February–April period. The regularity of this pronounced peak is observed in both the urban and rural areas (Figures 1 and 2). Interestingly, Delhi and Chandigarh, which are more urban, exhibit similar patterns as well. The standard deviation is higher in the rural domain than in urban (Table 1).

As against these pronounced seasonal patterns, such a “peak” effect is quite small and giving birth does appear to go on more evenly with a very low standard deviation in Karnataka, Kerala, and Goa (Figures 3, 4, and 5). There are no sharp October peaks, but there is a clear declining trend from November to February. Kerala shows a faint but clear trend of the number of births coming down steadily in both rural and urban areas. One interesting trend discernible in rural Kerala is the bimodal nature of the peaks—one in May and the other in October. Tamil Nadu is another interesting case where births in urban areas are more than that in the rural, but the similarity of the pattern in the rural and the urban is unusually striking. The February dip is apparent in Tamil Nadu along with a mild peak in May

that goes with a rising trend continuing up to October and then dips till February (Figure 7, p 41).

Andhra Pradesh and Telangana also confirm to the “southern” pattern of low standard deviation, a peak in and around September and October, and a dip till February–March. In

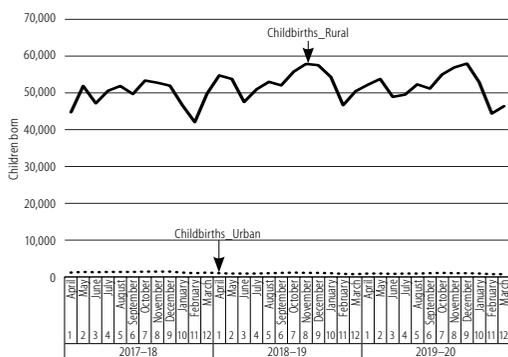
Andhra Pradesh, births in urban areas are more compared to that in the rural as in the case of Tamil Nadu and a discernible, though mild, trend of a decreasing number of births in rural Andhra Pradesh.

**Table 1: Statewise Standard Deviation for Births from HMIS April 2017–March 2020, India**

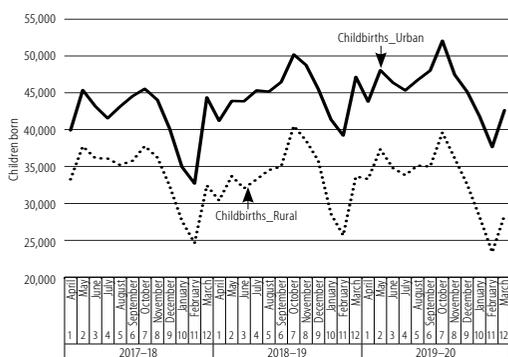
(Colour code: Dark gray for <0.5 Standard deviation, light gray for 0.5–1 Standard deviation, and medium gray for > 1 Standard deviation)

States	SD_Total	SD_Rural	SD_Urban
Karnataka	0.35	0.49	0.34
Jharkhand	0.54	0.56	0.61
Chhattisgarh	0.57	0.59	0.94
Maharashtra	0.57	0.53	0.84
Mizoram	0.58	0.51	1.5
Odisha	0.59	0.58	0.9
Andhra Pradesh	0.63	0.78	0.61
Telangana	0.64	0.64	0.74
Meghalaya	0.67	0.67	3.62
Goa	0.72	0.68	1.33
Jammu and Kashmir	0.72	0.73	0.84
Andaman and Nicobar Islands	0.75	0.75	
Himachal Pradesh	0.77	0.77	15.56
Kerala	0.78	0.71	1.18
Tamil Nadu	0.81	1.02	0.68
Manipur	0.86	0.79	1.76
Tripura	0.89	0.89	1.05
Gujarat	0.92	0.96	0.96
Uttarakhand	0.92	0.99	1.25
West Bengal	1	1.11	1.05
Sikkim	1.01	1.29	1.04
Madhya Pradesh	1.02	1.05	0.93
Rajasthan	1.04	1.15	1.12
Nagaland	1.04	0.94	1.82
Arunachal Pradesh	1.05	1.05	19.14
Dadra and Nagar Haveli	1.07	1.03	1.75
Chandigarh	1.17	1.12	1.46
Puducherry	1.22	1.45	1.14
Daman and Diu	1.28	1.34	1.87
Lakshadweep	1.31	1.31	
Delhi	1.32	1.35	1.28
Haryana	1.32	1.45	1.21
Assam	1.34	1.36	1.22
Uttar Pradesh	1.43	1.44	1.97
Bihar	1.49	1.5	1.45
Punjab	1.5	1.54	1.42

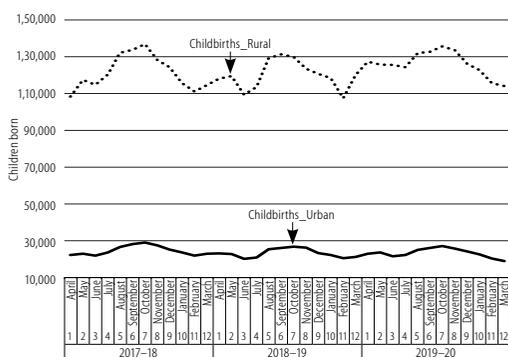
**Figure 6: Birth Seasonality in Odisha (2017–20)**



**Figure 7: Birth Seasonality in Tamil Nadu (2017–20)**



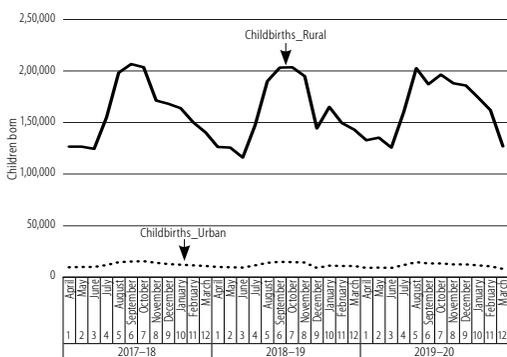
**Figure 8: Birth Seasonality in Maharashtra (2017–20)**



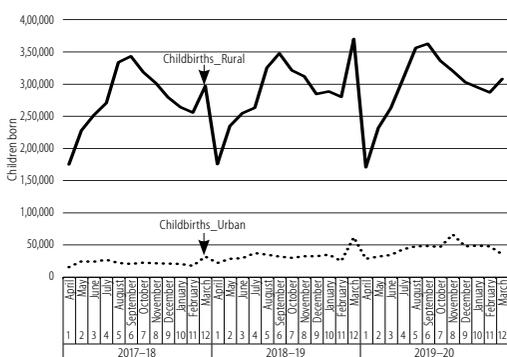
In Maharashtra, regular dips during February–March and peaks during September–November is observed (Figure 8). Similar peaks and dips are observed for urban–rural live births. In Goa, a mild October peak is apparent, which is more pronounced in rural Goa (Figure 4). Gujarat shares a trend of high birth peaks in August–October and sharp dips in February–March. Similar peaks and dips are observed for urban–rural live births (Figure 13, p 42). The standard deviation between urban and rural births in Gujarat is low as compared with Punjab.

Bihar follows the Punjab pattern, although in Bihar, the “dip” prolongs from

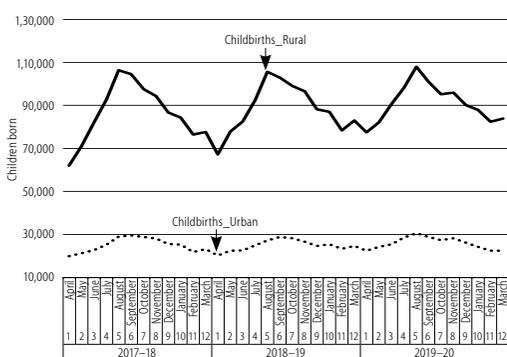
**Figure 9: Birth Seasonality in Bihar (2017–20)**



**Figure 10: Birth Seasonality in Uttar Pradesh (2017–20)**



**Figure 11: Birth Seasonality in Madhya Pradesh (2017–20)**



October till June with a sharp peak again in August (Figure 9). There are no sharp October peaks in Odisha, but a clear declining trend from November to February is seen as similar to Kerala (Figure 6) and West Bengal (Figure 14, p 42). Contrastingly, the September–October peak is visible in West Bengal (Figure 14).

The regularity of the pattern in MP is striking, with a rising trend from April to August and a dip from August till April (Figure 11); urban MP also seems to follow a similar pattern (standard deviation = 0.93). An upward “kink” is observed in UP and Rajasthan during March (Figures 10 and 12, p 42). Rajasthan also shows a similar pattern as MP, barring

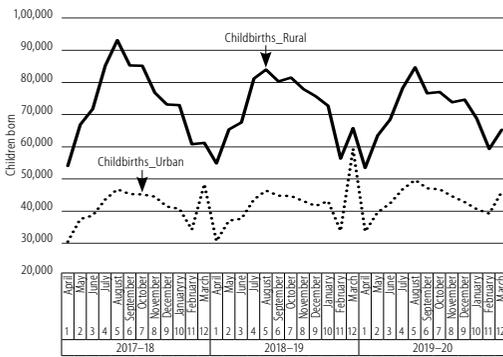
the irregular march spurt similar to UP.

**The patterns of standard deviation:** After reporting about the role of seasonality in terms of the absolute number of children born, a detailed analysis of month-wise births is undertaken. However, the comparability improves if we take into account the births in a particular month as the percentage of annual births. This percentage would have been close to 8.33% or one-twelfth of the annual births in case there were no seasonal variations. This approach allows us to compare the urban and rural patterns within the same state even when the absolute numbers may considerably differ. While the births in a month, as a percentage of the annual births, is a useful parameter for comparison across the urban and the rural as well as across the population size of the state, it is equally important to look at this variation in terms of the standard

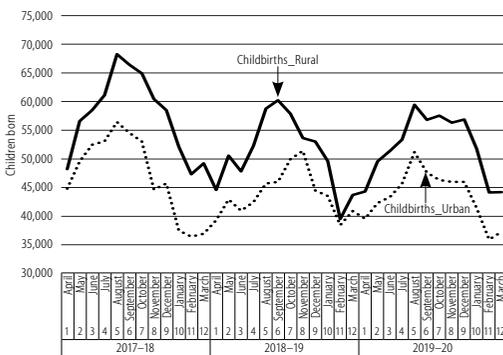
deviation over a 36-month period. Studying the pattern of standard deviation will allow to see if the seasonal variation in the urban population is similar to that in the rural areas or if there were any seasonalities at all.

We see a remarkably steady seasonal pattern, with births peaking in August and September and a strong peak as well as a steady dip towards February and March (Figures 15a–15d, p 43). We could even characterise this as the northern agrarian pattern that can be seen in the plains of Punjab, Haryana, UP, Bihar, MP, and Rajasthan. This August–September peak shifts towards October when we pass from the north-western

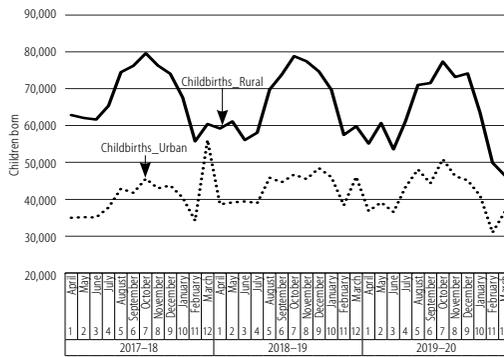
**Figure 12: Birth Seasonality in Rajasthan (2017–20)**



**Figure 13: Birth Seasonality in Gujarat (2017–20)**



**Figure 14: Birth Seasonality in West Bengal (2017–20)**



region towards the southern and the eastern regions (Figures 15e–15f, p 43), and in the case of Odisha even December. A strong similarity between the urban and rural patterns can also be noted.

In the north-eastern states, Assam and Manipur show a peak in the October–November window and a dip in June. Tripura, too, shows a dip in June but a peak towards November–December, while Nagaland shows sharp peak in September, with a dip in June. Sikkim and Arunachal also share the peaks in September and October. Mizoram and Meghalaya show no regular patterns.

The contour map of the standard deviations based on the low (<0.7), medium (>0.7 and <1), and high (> 1) seasonal variations in births is provided in Figure 16 (p 43). The Indo-Gangetic belt is one contiguous region with West Bengal and Assam nearly into the same fold. As against this, Karnataka shows consistently low standard deviation, while rural and urban standard deviation figures differ for both Andhra Pradesh and Tamil Nadu. Kerala’s high standard deviation and bimodal peaks merit separate scrutiny. The rural parts of Odisha, Jharkhand, Chhattisgarh,

Telangana, and Maharashtra form a contiguous belt (Figure 16), having the standard deviation in the rural births to be less than 0.7. In the north-eastern states, the rural parts of Manipur, Meghalaya, Mizoram, Nagaland, Tripura, and Sikkim show relatively lower standard deviation variation, while a very high deviation is seen for Assam (1.36 standard deviation for rural) and, in relative terms, in Arunachal Pradesh as well.

**Discussions and Conclusions**

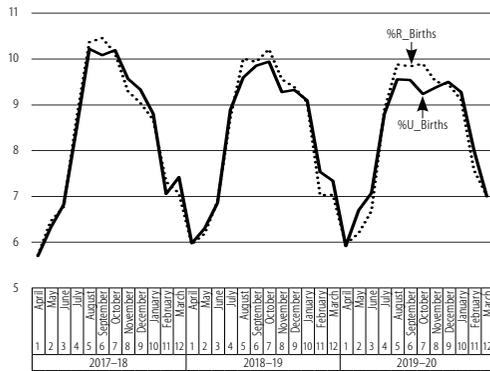
This study reveals a very distinct and uniform seasonal pattern of childbirth in most regions of the country based on a monthly birth record data at a large canvas and a granular level provided by the HMIS. Regional variations can be seen between the northern and southern parts of India as well as the western and eastern parts. A dominant peak during August–September and a dip during February–April were prominent in North India, whereas a more evenly distributed pattern with low standard deviation was visible in the southern region. Within the southern states also, seasonal variation is displayed. The amplitude of the peaks gets attenuated as we move from the north-western direction to the south-eastern direction. In the north-eastern states, a pattern of birth peak shifting towards later part of the year by a month or two is noted.

The steady and significant seasonal pattern having a birth peak during August–September and a steady dip towards February and March can be characterised as the northern agrarian

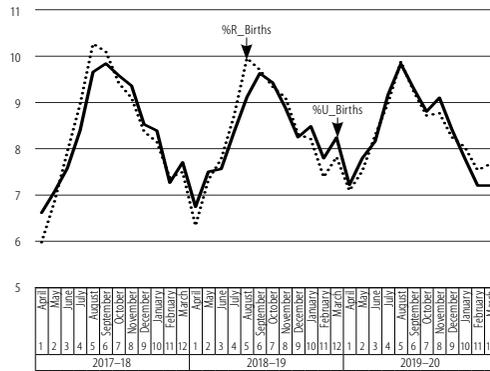
pattern. This pattern is widely visible in the northern and central zones of the country, covering a contiguous belt comprising Punjab, Haryana, UP, MP, and Rajasthan. The four BIMARU states, that is, Bihar, MP, Rajasthan, and UP, also conform to the Punjab pattern, although, in Bihar, the

dip prolongs from October to June, with a sharp peak again in August. The upward kink observed in UP and Rajasthan during March may have more to do with the administrative reporting formalities than an actual increase in birth. This will merit a closer scrutiny though. A previous cohort in Haryana with 35,244 childbirths recorded for 19 years (1972–90) also reported the maximum number of childbirths during August–September and the least in April (Anand et al 2000). A retrospective descriptive study with 43,892 birth records at the Doon Medical College, India, during 2012–16 reported a similar birth peak in August and a dip in April (Pal and Gandotra 2018). Birth peak during August–September corresponds to the probable conception during November–December. This is corroborated by a study using country-level NFHS-4 data in India during 1990–2005 where the majority of conception was found to happen during October–February in UP from the northern agrarian zone (Singh et al 2020). These are the states where rabi crops are harvested in April–May, followed by kharif crops (sugar cane, cotton, millets, cash crops) that are sown (June–July) and harvested in September–October and then rabi crops are sown in October–November. Thus, November and December become the ideal time for conception due to time availability from farming and food abundance. Likewise, the dip in February–March, corresponding to conception during May–June, is falling between the farming cycle and coinciding with less abundance of food and money at the time of sowing the kharif crops.

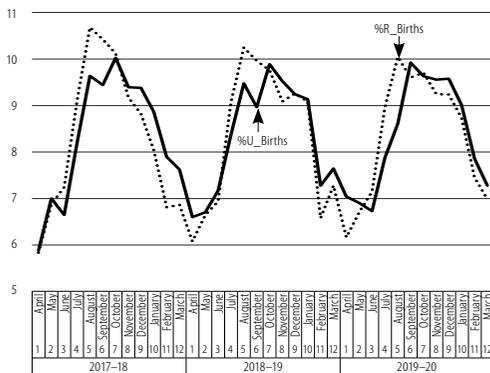
**Figure 15a: Birth Seasonality (% Births per Month by the Total Annual Births) in Punjab (2017–20)**



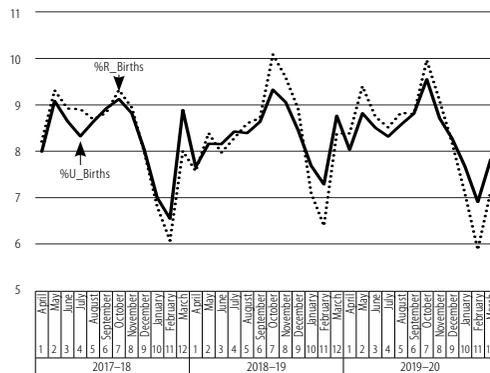
**Figure 15d: Birth Seasonality (% Births per Month by the Total Annual Births) in Madhya Pradesh (2017–20)**



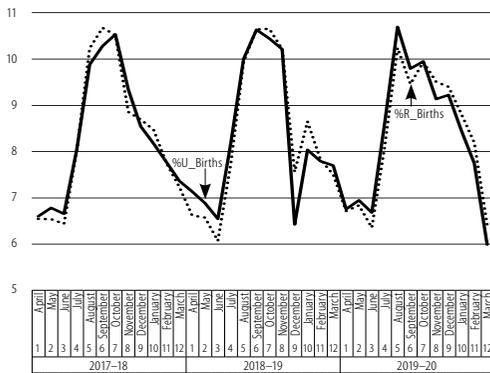
**Figure 15b: Birth Seasonality (% Births per Month by the Total Annual Births) in Haryana (2017–20)**



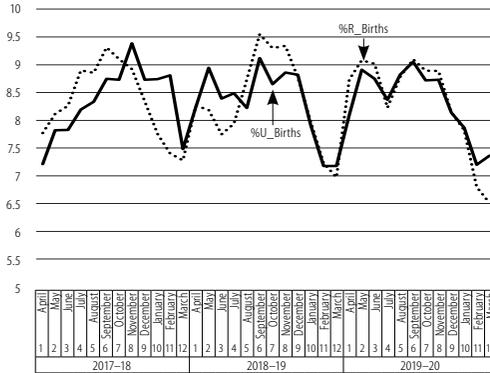
**Figure 15e: Birth Seasonality (% Births per Month by the Total Annual Births) in Tamil Nadu (2017–20)**



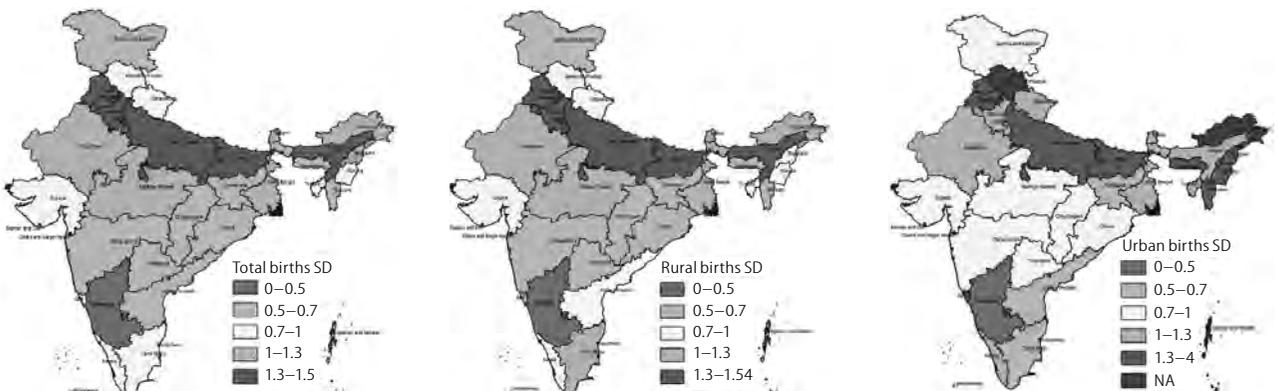
**Figure 15c: Birth Seasonality (% Births per Month by the Total Annual Births) in Bihar (2017–20)**



**Figure 15f: Birth Seasonality (% Births per Month by the Total Annual Births) in Andhra Pradesh (2017–20)**

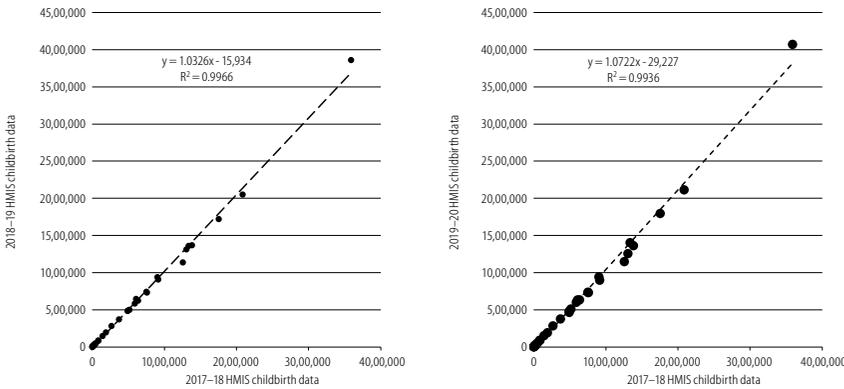


**Figure 16: Standard Deviation Map of Seasonal Variation in Births—HMIS 2017–18 to 2019–20**

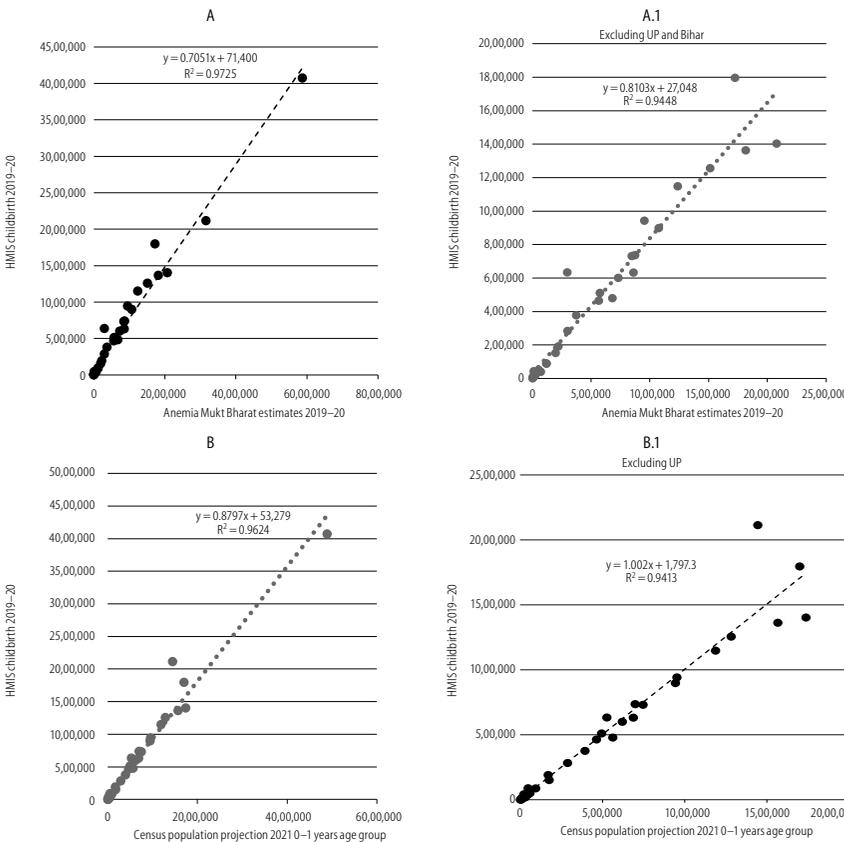


It is already documented in literature that in the region where rice is harvested during September–November and the later crops in March, two distinct maxima in the birth rate are visibly favouring the conception during December–January and April (Kosambi and Raghavachari 1952). In Tamil Nadu and Kerala, where paddy is the major cereal, this study found probably post-harvesting surplus favouring/supporting conception in January, leading to birth peak in October, followed by the next favouring conception in June, leading to secondary birth peak in March; Karnataka followed the same pattern. Such an interesting effect of harvesting pattern on birth seasonality gets pronounced in both rural and urban Tamil Nadu but not in the cases of Kerala and Karnataka. No variation as such prevails in the urban sectors. In northern, southern, and western states, a consistent dip during January–February–March is noted, which corresponds to conception likely happening during April–June. The extreme

**Figure 17: HMIS Birth Data Internal Consistency Check for 2017–18, 2018–19, and 2019–20, Statewise**



**Figure 18: HMIS Data Consistency Check with Respect to Census Population projections (0–1 years age-group) and Anemia Mukt Bharat Live Birth Estimates for the Respective Years, Statewise**



hot and humid temperature of summer must have been the major factor hindering intimacy and thus the environmental factors become crucial. On the contrary, in an eastern state like Bihar as well as the central states, the dip during April–May corresponds to less frequency of coitus in July–August. These months belong to monsoon season where the disease rate gets high and food availability also becomes an issue. In Odisha, whether the increasing trend of births is a reflection of the improved

institutional deliveries and better capture of birth data is a matter of investigation outside the scope of this study.

The extent of variation in the birth seasonality data is another issue in this context. In literature, the amplitude of variation was found to vary a lot, such as 40% in Bangladesh (Stoeckel and Choudhury 1972), 10%–15% in Japan (Matsuda and Kahyo 1994), 7% in Nigeria (Ayani 1986), and 5% in Australia (Mathers and Harris 1983). It is also seen from the literature that there

exists a gap in research in terms of studies on the seasonality of births in India. Hence, for the first time, this article looks at the variation in child-births in India using the HMIS data. As per the findings, the extent of variation around the mean was found to be almost 10% in India. The statewise variability ranged from 4% (Karnataka) to 18% (Punjab) (Annexure Table 2, p 45).

The results obtained in this study have considerable implications for policy as well as programme implementation; one, to draw attention to meet the unmet contraceptive needs in order to protect against unwanted conception during the peak conception months; second, to ensure the availability of the stock of required vaccines, for example, tetanus toxoid doses and medicines such as Albendazole, iron-folic acid, and calcium tablets during pregnancy. The observations of this study will also facilitate ensuring the services like primary immunisation to children, for example, bacille Calmette-Guérin to measles. It will thus fulfil one of the major objectives of setting up the Management Information System that is improving the maternal and child health services.

**Future Scope**

It is interesting to note the strong similarity in the urban and rural patterns. Whether the urban peaks are influenced due to rural clients availing of the urban health facilities is a matter of separate inquiry, and for this, we may need to look at the urban data more carefully and granularly.

It may also be worthwhile to see the variation in the patterns across natural regions. The 88 natural regions of the National Sample Survey provide a more homogeneous aggregation than the administrative boundaries of the states (MOHFW 2019). It stands to reason that the pattern in Konkan and Vidarbha is likely to differ, just as that between western and eastern UP. This will be a separate follow-up exercise to this analysis. Another interesting dimension could be those of the coastal districts. We prima facie expect the fluctuations to become less pronounced compared to those in the northern agrarian pattern.

A similar analysis of a state-level pattern with districts as a unit will be taken up to study the childbirth seasonal variation at the district level for more effective management at the local level. However, we are aware that the statistical fluctuations in the number of births reported at the district levels are likely to be higher as the number of births reduce.

## Conclusions

The interest in seasonal variations in births and deaths has been a matter of academic and policy inquiry for quite a while now. We notice distinct seasonal childbirth patterns in India through different dips, peaks, and magnitude that differ in different parts of the country. We see a shift in the patterns from those revealed in the earlier literature. This is understandable as the patterns of agriculture, migration, and shift from farm sector to other sectors have taken place. Nevertheless, there is a dominant pattern that we may term as the northern agricultural pattern. As we move from the north-western region towards the southern and eastern regions, the August–September birth peak shifts towards October–November. These are, incidentally, regions of more moderate climate and also have different cropping patterns. The steady decline from the winter peak to the dip until February–March seems, however, to be a common feature across most regions. Identification of peak and lean months of childbirth in different states will help the local administration to improve and prioritise the delivery of maternal and child services and family planning facilities.

## NOTES

- [https://nrhm-mis.nic.in/hmis-reports/fm-standard\\_reports.aspx](https://nrhm-mis.nic.in/hmis-reports/fm-standard_reports.aspx).
- We examined the internal consistency of the statewide HMIS birth data for three years and also compared it with the estimates based on the Census population projections (AMB; [https://nhm.gov.in/New\\_Updates\\_2018/Report\\_Population\\_Projection\\_2019.pdf](https://nhm.gov.in/New_Updates_2018/Report_Population_Projection_2019.pdf)) as well as the estimates provided in the Anemia Mukh Bharat (<https://anemiamukhbharat.info/denominators/>) programme. The HMIS data are internally consistent as can be seen from the slope of the regression lines and the R-squared values for the regression of the 2018–19 and 2019–20 data on the 2017–18 data (Figure 17, p 44). Compared to the estimates based on 0–6 years population age group of the Census 2011 and AMB estimates, the HMIS has under-reported the data to some extent. However, a large part of the under-reporting is accounted for by UP and

Bihar. The correlation between the births reported under the HMIS with the estimated values sharply improves once UP and Bihar are removed as outliers (Figure 18, p 44).

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## Annexure

**Table 1: Percentage of Birth Occurred per Month in India during the Study Period (HMIS 2017–18 FY to 2019–20 FY)**

Months	2017–18	2018–19	2019–20
April	6.8	6.92	6.99
May	7.56	7.54	7.64
June	7.74	7.43	7.68
July	8.45	8.07	8.46
August	9.47	9.11	9.41
September	9.53	9.39	9.23
October	9.5	9.39	9.29
November	8.9	9.13	9.12
December	8.48	8.5	8.73
January	8.06	8.42	8.32
February	7.42	7.47	7.59
March	8.1	8.64	7.54
Total births	2,07,84,374	2,08,88,674	2,12,33,088

**Table 2: Statewise Extent of Variation in Births around Its Mean (Relative Standard Deviation)**

States	Total	Rural	Urban
Karnataka	4.2	5.9	4
Jharkhand	6.5	6.8	7.4
Chhattisgarh	6.9	7.1	11.3
Maharashtra	6.9	6.4	10
Mizoram	7	6.1	18
Odisha	7	7	10.9
Andhra Pradesh	7.6	9.4	7.4
Telangana	7.7	7.7	8.9
Meghalaya	8	8	43.4
Goa	8.6	8.1	16
Jammu and Kashmir	8.7	8.8	10.1
Andaman and Nicobar Islands	9.1	9.1	-
Himachal Pradesh	9.3	9.3	-
Kerala	9.3	8.5	14.2
Tamil Nadu	9.8	12.2	8.2
Manipur	10.3	9.5	21.2
Tripura	10.6	10.6	12.6
Gujarat	11.1	11.5	11.5
Uttarakhand	11.1	11.9	15
West Bengal	12	13.3	12.6
Sikkim	12.1	15.5	12.5
Madhya Pradesh	12.2	12.6	11.2
Rajasthan	12.5	13.8	13.4
Nagaland	12.5	11.3	21.8
Arunachal Pradesh	12.6	12.6	-
Dadra and Nagar Haveli	12.9	12.3	21
Chandigarh	14	13.5	17.5
Puducherry	14.7	17.4	13.7
Daman and Diu	15.4	16.1	22.5
Lakshadweep	15.8	15.8	-
Delhi	15.8	16.2	15.3
Haryana	15.8	17.4	14.5
Assam	16.1	16.3	14.6
Uttar Pradesh	17.1	17.3	23.7
Bihar	17.9	18	17.4
Punjab	18	18.5	17.1
India	10	11	8

# 'No Formalities Please!' Broker Practices in the Municipal Governance of New Delhi

SUSHANT ANAND, SYLVIA I BERGH

This paper analyses the ways in which informal mediation channels facilitate service delivery in the Citizen Service Bureaus at the Municipal Corporation of Delhi and give rise to an interplay between formal and informal institutions. In particular, the personal backgrounds of brokers as informal mediators and how they ensure their acceptance amongst service seekers are explored. Further, the motivations of the service seekers to solicit help from these mediators as well as institutional responses from the municipal administration along with other relevant actors like the Government of National Capital Territory of Delhi are examined.

Planning, provision, and access to services across all cities in India, including the Municipal Corporation of Delhi (MCD), are marked by the presence of a parallel form of service delivery mechanism that facilitates informal governance. The inadequacy of the supply-side apparatus to deliver public services creates a conducive environment for brokers to emerge and sustain themselves as intermediaries between the bureaucracy and service seekers.

This paper seeks to answer the question of how informal mediation channels facilitate service delivery in the Citizen Service Bureaus (CSBs) at the MCD. In order to fully understand the dynamics of the informal institutions within the MCD, the paper focuses on the following three sub-questions: First, who are these informal mediators and how do they ensure their sustenance and acceptance amongst service seekers? Second, how do service seekers access services from the CSBs? Third, how do formal institutions perceive and respond to these informal mediation practices?

These questions are set in the broader context of diversity of public services and coordination problems that point towards issues of access, productivity, personalisation, and quality, which have so far received relatively limited attention (World Bank Group 2017). These inconsistencies often give rise to certain local informal practices that fill the access-to-public-service-delivery gap. This paper also aims to contribute to the literature on the interdependence of formal and informal governance institutions that lead to "multi-centric" or "poly-centric" governance arrangements marked by complex patterns and sources of authority (Khan Mohmand 2016: 6; Hooghe and Marks 2003: 234).

The findings presented in this paper are based on semi-structured interviews, participant observation, and a quantitative survey conducted by the first author from 1 August to 4 September 2018 in the zonal MCD offices in Delhi's South and North municipal corporations. Snowball sampling was used to identify experts employed at the local think tanks, non-governmental organisation (NGO) practitioners, Resident Welfare Association (RWA) representatives, local political representatives (councillors), officials and bureaucrats working at the MCD, and officials of the Government of National Capital Territory of Delhi (GNCTD). In total, 17 semi-structured interviews were held.

Unfortunately, none of the 17 interview respondents allowed for the recording of the interviews, but detailed notes were taken and transcribed on the same day and were analysed

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using Microsoft Office programmes (Excel and Word). The first author also conducted participant observation of brokers outside municipal offices using the “shadowing technique,” that is, a technique that “involves a researcher closely following a member of an organisation over an extended period of time” (McDonald 2005: 456). Finally, a survey was directed at 15 service seekers in North and South MCD each. The sampling procedure entailed selecting every third service seeker who approached the brokers during a period of one week at both South and North Delhi municipal offices. In addition, the study draws on secondary sources, including NGO and think tank reports as well as news media. Ethical considerations were addressed by obtaining informed consent of all study participants, including for the participant observation, and replacing the interviewees’ names with codes in the text (for the list of interviewees, see Appendix 1, p 53).

### Municipal Structure and Mediation Practices

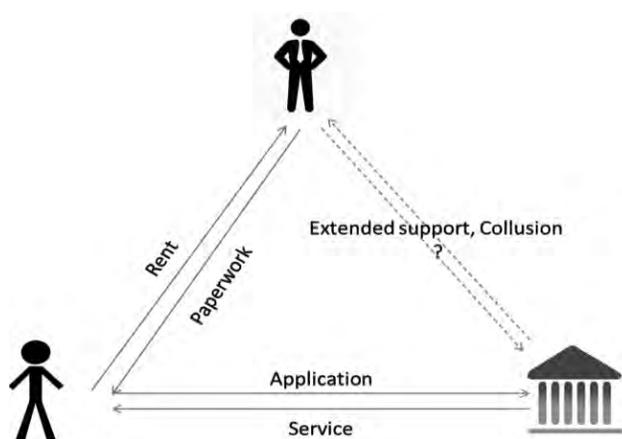
The MCD is a locally elected body that operates within a defined, limited jurisdiction and administers a selected list of services enshrined in India’s 74th constitutional amendment related to decentralisation of administrative authority. However, this decentralisation has not been completely realised in practice as many of these services are in fact delivered at the state level.

New Delhi is a bustling metropolis with nearly 17 million inhabitants (GoI 2011). The residents of the megacity of Delhi are mainly migrants, with close to 25% lacking access to formal housing and basic utilities (Sheikh and Banda 2014: 1). Citizen services provided by municipalities are thus important in building a resident’s confidence in being a lawful resident.

The governance of Delhi is a topic of much deliberation by policymakers due to its position as the capital of the country. The region hosts the institutions of the federal government (centre), the GNCTD, and the municipal administration of 272 wards by means of the MCD, which technically controls 94% of the geographical area (and 95% of the population). The other municipal divisions include the centre (New Delhi Municipal Council [NDMC]) and the cantonment (under the jurisdiction of the Ministry of Defence).

The GNCTD came into power in 1993 and oversees matters related to transport, health, family welfare, food, and other commercial supplies. The GNCTD established numerous autonomous agencies responsible for the delivery of certain essential services like water (Delhi Jal Board [DJB]), electricity (Delhi Vidyut Board [DVB]), transport (Delhi Integrated Multi-modal Transit System [DIMTS]), and slum maintenance (Delhi Urban Shelter Improvement Board [DUSIB]). All other services related to solid waste management, garbage disposal, upkeep of commercial areas, maintenance of parks and green spaces, licensing of commercial activity, registration of births and deaths, and other citizen services are managed by the MCD. Based on the Delhi Municipal Corporation (Amendment) Act, 2011 (issued on 29 December 2011), the MCD was divided, in 2012, into three new corporations, namely North Delhi Municipal Corporation (NDMC), South Delhi Municipal Corporation (SDMC), and East Delhi Municipal Corporation (EDMC).

Figure 1: Citizen–State Relationship in a Broker-mediated Transaction



While the MCD is mainly responsible for operational civic services, it also offers administrative services such as birth and death registration, property and estate matters, addressing local grievances, community centres for public use, and the provision of trade licences. The governance framework of the city is complex owing to the special status of New Delhi at the juncture of local, state, and national jurisdictions (Sheikh and Banda 2016). The fact that there are some overlaps of authority responsible for the same services (that is, centre, state, and the municipality) impedes systematic provision of basic services and leads to confusion on the part of the citizens in terms of who is responsible for which service. Citizens thus struggle to access the CSB services by themselves and are forced to make use of local mediators, agents, consultants, touts, or fixers (De Wit 2016).

To complicate matters further, the MCD also includes 12 zonal offices across its three sub-MCDs. Every municipal zone hosts a CSB, which is primarily responsible for all interactions related to the payment of property taxes, licensing, the booking of municipal halls/parks for community events, and for birth and death registration. The CSBs provide access to basic yet important municipal administrative services at a nominal fee, except in cases—including trade penalties and property taxes—that have a differential fee band (based on the size of the transaction).

The scholarly literature on citizen–state interactions in India has categorised them into three main types, namely political clientelism, bureaucratic “gate-keeping,” and informal brokering. There is a substantial literature discussing the first two types within urban local governments, but the mediation practices by informal brokers motivated by an opportunity for profit are relatively understudied (Berenschot 2010; Blundo 2006; Copus and Erlingsson 2013; De Wit and Berner 2009; Fuller and Harriss 2001; Kumar and Landy 2012; Jones et al 2014: 35). This paper, therefore, focuses on the third type.

Informal brokering refers to a system of public service delivery that can be considered as privatisation of street-level bureaucracy. Informal brokers serve as an usher for the service seekers who take them (or their file) through the maze

of public officials in return for a going rate for these services (De Wit and Akinyoade 2008). These informal brokers gain acceptance or informal legitimacy from the community of service seekers to continue operations and sustain themselves. Figure 1 (p 47) illustrates the citizen–state mediation via a private broker.

As we can see, the service seeker approaches the broker for the correct documentation in exchange for a small fee to avoid having their application rejected by the responsible bureaucrat. The seeker then submits the application to the office and pays the official fee for the required service. The seeker, in some cases, may require extended support from the broker and requests him (brokers are usually men) to also submit documentation to the particular institution in exchange for a premium fee. This extended support may suggest a sense of collusion as there is a possibility that the broker shares a portion of the premium fee with the office holder at the institution. However, this possibility lies outside the scope of our study.

**Conceptual Framework**

Institutions, defined as the “rules of the game,” often begin with an informal, communal approach created, communicated, and enforced outside the sanctioned channels (Hodgson and Knudsen 2006). The emergence of informal institutional practices within formal governmental structures is often witnessed in relatively weak state institutions and operates in a dizzying arena of personal networks, clientelism, corruption, clans and mafias, civil societies, traditional culture, and a variety of judicial and bureaucratic norms. Informal institutions are thus defined by G Helmke and S Levitsky as “socially shared rules, usually unwritten, which are created, communicated, and enforced outside of officially sanctioned channels” (Helmke and Levitsky 2004: 725).

These shared values within an informal institutional framework create a common understanding of socially acceptable behaviour and guide the practices within these institutions. The formal and informal institutions are either deemed competing or complementing on the basis of the outcomes and effectiveness of formal rules. While one camp treats informal institutions as functional (convergent) entities that solve problems related to interface and coordination, the other camp considers informality in service delivery to be dysfunctional (divergent) and an impediment to service provision. Helmke and Levitsky (2004: 728) developed a two-by-two matrix as a typology of functional and competing modes of formal–informal institutions (Table 1).

This matrix is used in the analysis section to assess the situation observed on the ground from a multi-stakeholder perspective. The typology provided by Helmke and Levitsky (2004: 728) is based on the outcomes and effectiveness of informal and formal rules in a given context. The outcome

variables dictate whether the results of these rules are in line or at variance with what one may expect from strict adherence to formal rules. The effectiveness variables, on the contrary, represent the extent to which these formal rules are realised in practice. It is understood that where the rules and procedures are ineffective, the probability of enforcement will be low (Helmke and Levitsky 2004: 728).

Complementary informal institutions, a result of convergent outcomes and effective formal institutions, usually fill in essential governance gaps and may often enhance efficiency in service delivery. Accommodating informal institutions arise in situations of strong formal systems but divergent outcomes. Such institutions are often created by actors who dislike formal structures and outcomes but use these rules to their advantage without actually violating them. The formal systems withstand or accommodate these institutions in the light of future contingencies and are considered as enhancing stability, if not efficiency (Helmke and Levitsky 2004: 730). In the case of ineffective formal institutions, the rise of competing informal institutions tends to violate rules, reflecting divergent outcomes by structuring incentives that are incompatible with formal rules.

Finally, substitutive informal institutions tend to replace formal institutions that do not perform well, but the informal institutions constructively achieve the expected outcomes of the formal ones. For example, in rural India, local community leaders have a high familiarity and social legitimacy with village dwellers and tend to become the most trustworthy access points for seeking public services due to the lack of connectivity with the state machinery. Indeed, (substitutive) informal local governance institutions (ILGIs) operate completely or partly outside formal structures of the state but facilitate or influence the official state institutions responsible for key governance functions, including service delivery, dispute resolution, and electoral representation.

In the analysis section, the informal institutionalisation of brokers who assist service seekers to access administrative services is examined from multiple vantage points, including those of the brokers, the bureaucrats, the GNCTD, expert opinion, and the authors themselves.

**Findings**

**Brokers:** The first research sub-question focuses on the identity of the brokers and their legitimacy. On the morning of the first visit to one of the four zonal offices at the SDMC offices in Lajpat Nagar, there were around 30 service seekers outside the premises of the public information centre (PIC). The PIC is the first window or gateway to the municipal administration in any zone to which any citizen is expected to go in order to navigate through the zonal office and its departments.

In a typical CSB office, a couple of officials may be seen providing basic support to understand the needs of the seeker and guide them to the relevant window and also sometimes to review paperwork. More often than not, the seeker needs to undertake a second trip with correct or rectified paperwork,

**Table 1: Typology of Informal Institutions**

Outcomes	Effective Formal Institutions	Ineffective Formal Institutions
Convergent	Complementary	Substitutive
Divergent	Accommodating	Competing

Source: Helmke and Levitsky (2004: 728).

mostly assisted via the touts and brokers outside the csb. These brokers usually set up makeshift premises under a tree or at a street corner with a foldable table or a table made with construction bricks with a bamboo stool. They assist service seekers with the required documentation in exchange for a nominal fee, ensuring that the job gets completed in the same visit. The tasks usually include filling out an application form for birth/death registration or a similar service, using their typewriters.

At the smcd office, the csbs were open from 10 am until 1 pm, and the brokers also stayed for half the day. One of them did basic typing work for any application that a service seeker had to make for the purpose of birth, death, or licensing registration, and in some cases even assisted with the calculation of property taxes. This broker usually charges a nominal fee of ₹30 for completing application forms and around ₹250 for property tax calculation, mainly because the ticket value (that is, the official cost of transaction) for the latter task was higher. Another broker in front of the sDMC office went a step further than that and even offered to make the application inside the office on the seeker's behalf, for which he requested a lump sum and charged a premium (₹100). There was usually a fixed rate for each of the services offered and it operated like a micro-marketplace, that is, services were offered as in oligopolistic competition with few service providers and high barriers to entry.

In Karol Bagh, the zonal office of the nmcd was located in a crowded locality and its physical appearance seemed relatively run-down compared to the relatively well-maintained and clean appearance of the sDMC zonal office. The differences between the offices and their surroundings influence the role of brokers. For example, the Lajpat Nagar zone in South Delhi is relatively well-off, with higher rates of tax collection from its residents, and operates in a much more seamless manner than the Karol Bagh csb in the north where most of the residents are small shopkeepers fearing frequent sanctions by the mcd on commercial activity and new forms of taxes. The quality of citizen service provision is relatively poor here, and limited awareness of online services also increases the need for brokers. On the contrary, the South Delhi brokers stated that since 2013–15—when many csb services became available online and as people became more aware about these services being available online—their work had considerably decreased.

The participants interviewed for this study have worked as brokers for 7 to 15 years. They sat together and had a seemingly healthy sense of competition. Their visiting cards characterise them as consultants in order to communicate an image of independent service professionals.

In addition to the interviews and participant observations with several brokers at each corporation, two brokers—one at sDMC and the other at ndmc—were “shadowed” for a week each in order to understand their routine and everyday operations as the first point of contact for most citizens. Their profiles are as follows. First is Pawan Singh of the sDMC, Lajpat Nagar zone, Delhi.

Pawan Singh, 36 years, a broker outside the sDMC office in Lajpat Nagar, does the mediation work on a part-time basis. He claims that although he has been working here for the past seven years, his work was greatly affected due to the digitisation of these citizen services around 2013.

I have been here for the past seven years now and it started with multiple visits for getting the licence for my dad's shop that made me have multiple visits as the paperwork wasn't complete; I started assisting the main tout here and started getting opportunities to earn an extra buck as I was jobless after college.

The profile of Pankaj Sharma of the ndmc, Karol Bagh zone, Delhi is as follows:

Pankaj Sharma, 39 years, has been sitting on a boulder or under a tree for the past 15 years helping people complete their documentation for any work they may have at the zonal office of ndmc in Karol Bagh. He likes to be known as a consultant who also files his own income tax, often more than what is applicable to build a strong official income base for easily procuring a loan from a bank in the future. A father of two girls, Pankaj's journey as a broker began after completing his college education, which left him literate and skilled but without a job. He came into this line of work by accident, when he was trying to help a friend who operated a telephone booth at the mcd office, and soon after the new property tax norms were introduced, there was a huge influx of applications that required help.

It was during that time that my friend asked me to come and help file these property tax applications for people, which means filling the form, doing the calculations and preparing paper-work. We made a good ₹100 in 2003 for every case.

While the brokers interviewed and shadowed for this study refused to have their work associated with any corruption, they claimed that the officials inside do seek rents in different ways—a situation that they encountered once they had come into direct contact with them. Overall, it seemed that over the last 15 years or so, most brokers had emerged due to unemployment and a distinct familiarity with the municipal processes, which provided them with a certain practical knowledge that they could commodify as a consulting or support service in exchange for a nominal fee.

**Nature of service-seeking practices:** We further found that many service-seeking citizens queued up at the csbs every day soliciting the help of brokers for minor rectifications in paperwork and documentation, while others at the pic tried to understand where to go with their requests. As an example of a typical service seeker and their request, we share the field notes taken by the first author.

An old lady mistook me for an officer at the mcd and sought help in getting her papers migrated from the municipal pension scheme to the state-government pension scheme. This reform was being implemented in 2018 as, due to a paucity of funds with the municipalities, the state government (via the corresponding mla—that is, Member of Legislative Assembly at the state level) was taking over these disbursements. The old lady needed a no-objection certificate (noc) from the municipal office, but there was some error on her registered name with the mcd office for which she needed an affidavit (undertaking).

Similar interactions with other service seekers (κ1 13–15) at both the sDMC and nDMC pointed to the presence of significant levels of trust between service seekers and brokers, even though there is no legal accountability associated with the promise of service delivery by the broker.

Although most of these services were available online, there were some natural barriers like the complexity of the system, the information technology illiteracy of the seeker, or a lack of time and patience that pushed these people to the brokers. This emerged as one of a few key insights from the survey of 30 respondents (15 each) across the nDMC and sDMC (corroborating and adding to the findings by Sony et al 2015).

The main survey findings show that a majority of service seekers approached the brokers for application work, mainly due to the complex official procedures, chiefly, for birth/death registration (30%), matters related to property tax (20%), etc. Most service seekers were from a lower middle-income level with graduate-level education, yet their relative lack of confidence in completing the documentation and dealing with the complexity of the procedure rationalised a genuine need for “support” from brokers. The brokers claimed that very few extremely poor people even visit the DMC, as they are not aware of any government benefits due to their marginalisation.

It is interesting to note that even though 39% of people visiting these offices were graduates, none of the respondents was able to use any online service offered by the MCD. This was largely because they did not know that these services were offered and/or were unfamiliar with information and communications technology.

In a nutshell, service-seeking behaviour in the sDMC and nDMC offices was mostly driven by a lack of knowledge about online services, lack of confidence, and paucity of time in some cases. The seekers had faith in these brokers as they did not want to make a second visit, spending money on transport and potentially losing a day’s wage.

**Institutional responses:** Turning now to the third research sub-question, the informal brokers’ mediation practices are not considered to be an illegal activity in India as they operate just like any other “advisory” or “consultancy” firm where an agency or individual is hired for a particular service. The same idea was echoed by experts E 1 and E 3—with E 1 claiming that the arrangement is just like a travel agency that a broker may operate and so it is completely legitimate. E 3, however, claimed that while it is legitimate, it reflects an embarrassing capacity gap in the public institution concerned—an outcome of being unable to create systems that citizens can cope with and access directly. Our findings show that there are three main institutional responses to the presence of these brokers: no response, e-governance, and doorstep delivery.

As for the first institutional response, that is, no response, some officials regarded the brokers’ work to be complementary to their own work, but most were indifferent about the presence of these brokers and claimed to be self-sufficient. While one of the experts (E 1) had indicated that the two groups often collude and share profits from the mediation transactions

facilitated by brokers, at least two officials (κ1 4 and κ1 11) denied having any relationship with the brokers and claimed that the human resources persons deployed at the counters were sufficiently trained to guide all service seekers efficiently. The officials further stated that although they acknowledge that the brokers outside are constructive in their actions and may be performing complementary work (κ1 11), they cannot be integrated or accommodated in the municipality’s operations.

I know that these touts are there outside the gate for years now. We do not care about them as long as they don’t open a physical office there as that would be illegal! It is a public space and people come here for official work and spend almost all of their day here. Anyone can help anyone and if they charge a fee for it, it is their business. The people [service seekers] must have faith in the way we offer services and ask for help. It is unfortunate if there is a trust deficit. (Commissioner, Department of Health Licence, nDMC, interview κ1 11)

The acknowledgement of the presence of touts and brokers by the officials, and the claim that they have no working relationship with them, is interesting as it is public knowledge that the brokers are doing government work in return for payment.

Turning now to the second institutional response, the e-governance stimulus in New Delhi arguably came about as a response to multiple problems associated with the lack of internal capacity in formal institutions with respect to the burgeoning resident population, high volumes of corruption and mediation at institutional premises, lack of information disbursement and poor grievance redressal, the digitisation of other services in the private sector, and the availability of information technology resources (Sony et al 2015).

Starting in 2003, the MCD commissioned information technology companies to build a master web portal that would automate numerous public service platforms and shorten the long queues for all registration and licensing services. It further promised to provide 71 services across 40 departments and ensure transparent and accountable local governance in New Delhi (Staff 2009). The key objectives of this initiative were to bring the MCD closer to people and to provide more convenient options to interact with the MCD.

According to two brokers (B 1 and B 2), the digitisation of the CSBs was achieved in around 2013. In practice, however, only a limited number of people are even aware of the digitisation of these services, and they remain unable to use them because of the complexity of the system or their lack of information technology literacy. The service-seeker survey indicated that 68% of all respondents (approximately 54% in nDMC and 81% in sDMC) were not aware of the availability of the online services, and those who were did not use them—either because they did not work, they were considered too complicated, or due to the lack of access to a computer or the internet.

The third type of institutional response to the mediation by brokers involves the doorstep delivery of public services. In September 2018, the GNCTD came up with a pilot initiative of doorstep delivery of 40 (at the time of writing, this number had grown to 70) administrative public services that are

expected to eliminate the need for intermediaries. The services include caste, marriage, and income certificates; driving licences; ration cards; access to old-age and handicapped-persons' pension schemes; and new water and sewer connections (Delhi Government 2017). Under the doorstep delivery service, a third-party private contractor, contracted as part of a public-private partnership (PPP), sends out agents, also known as mobile *sahayaks* (mobile helpers) to people's homes to deliver the service and charge a nominal fee of ₹50 (*Times of India* 2018). The same service is gradually expected to expand to encompass municipal services (interview with K1 12). Figure 2 shows a flowchart of the doorstep delivery model used in the GNCTD's new scheme.

According to a self-evaluation after the first year of operation, there were more than 1.3 million calls for doorstep delivery service requests but only 2,16,054 were actually registered—though of the latter, 99.5% were successfully delivered. Given this poor performance in terms of lack of capacity to register the calls, it is not surprising that direct-window applications are still the most popular kind and that approximately 80% of services are still delivered through that channel (*Hindustan Times* 2019). A feedback rating system via SMS from the citizen to the centralised data centre is put in place for the service seekers to prevent the *sahayaks* from engaging in petty corruption practices (Delhi Government 2017).

### Analysis

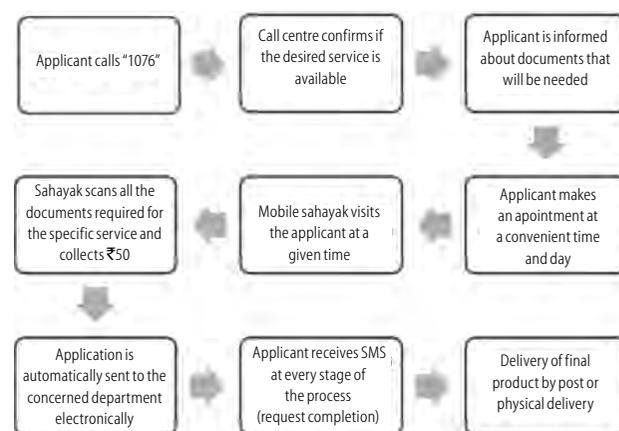
The research findings are analysed through the framework developed by Helmke and Levitsky (2004) discussed in the section on conceptual framework. The model includes four types of informal institutions depending upon the “outcomes” and “effectiveness” of formal institutions. While convergent outcomes are those whose results are in line with what one may expect from the design of these rules, the informal institutions within this arrangement may be complementary (to effective formal institutions) or substitutive (for ineffective formal institutions). Divergent outcomes lead to accommodating and competing types of informal institutions (Helmke and Levitsky 2004: 728).

The key informant (KI) interviews asked each category of actors, that is, experts, service seekers, and the brokers themselves as well as the government officials, to qualify the nature of brokerage as a type of informal institution according to the framework.

First, the experts on urban local governance interviewed for this study (E 1–E 4) qualified the role of brokers (as informal institutions) as complementary, that is, the brokers tend to fill gaps in service delivery and are compatible with convergent outcomes. In particular, the experts argued that the brokers provide key services when demand increases suddenly and formal systems cannot cope with it.

Second, the service seekers who usually approach the brokers in the MCD to provide CSB services that are not very expensive to pursue placed the informal broker institutions under the “competing” type based on a divergent outcome (of paying a fee to a broker rather than the government office).

**Figure 2: Flowchart of Doorstep Delivery Mechanism by GNCTD**



Source: Created by authors based on media reports (Kangkan 2018; Nath 2018).

The majority of seekers believe that the formal systems are too complicated, slow, corrupt, and intimidating to approach, making them waste time and possibly a day's wage. Brokers, however, achieve the tasks much more time-efficiently upon payment of some “speed money,” that is, the consultancy fee (interview with K1 12).

Third, as alluded to above, the GNCTD seems to regard these brokers as “institutional weeds” that need to be removed as soon as possible as they can have a “parasitical effect” on the service seekers, especially those that are vulnerable (interview with K1 12). The GNCTD finds the new doorstep delivery of administrative services to be an “accommodating” institution, considering the legitimacy granted to a brokering institution and acknowledging certain systemic deficiencies so that “no rules are violated.” The doorstep delivery mode arguably provides a way for the government to reconcile the interests of all actors involved, namely the service seeker, government, and the brokering private institution (interview with K1 12).

Finally, the brokers seem to consider themselves as performing the role of a “substitutive” informal institution as illustrated by the account by one of them (B 2) at the NDMC:

It is impossible for the MCD to operate without us as they are a corrupt bunch of professionals and will not move an inch without being offered a bribe. The administration has kept the systems deliberately complicated with minimal effort towards citizen education programmes. People feel more comfortable coming to us as we explain the process patiently. The poor attendant inside hardly has any time to deal with so many seekers at once.

The brokers rely on their familiarity with the formal institutional system to fill the service-delivery gaps, out of a personal profit motive and against the intention of the formal institutions, leading to convergent outcomes in practice.

However, seen from an outsider observer's perspective, we find that the brokers' work ultimately undermines the legitimacy and credibility of the public institutions. While they assist citizens with their errands, they do so without any incentive of providing welfare and, in fact, potentially exploit the vulnerable service seeker financially, thereby creating an environment of possible coercion or mistreatment. We thus place the brokers in the “accommodative” group within the matrix

as, owing to their participation, the rules of engagement are altered but the service delivery contract is respected.

### Conclusions

Against the background of access problems due to incomplete paperwork, a lack of confidence, and education or time constraints, this paper sets out to critically examine the emergence and sustenance of the informal private brokers (also known as middlemen, agents, facilitators, or touts), the service-seeking behaviour of citizens through these brokers, and the key institutional responses to informal mediation. The brokers facilitate transactions on behalf of the service seekers with the MCD for services offered at the level of the CSBs in exchange for a nominal (affordable) fee. The paper further articulates the conceptual understanding of these broker-led transactions as “informal institutions” following a set of socially shared rules of trust and cooperation, leading to the delivery of these services.

The study found that the brokers emerged and evolved due to systemic deficiencies in the public institutions, a lack of institutional capacity to serve the high numbers of service seekers, and the complex design of the service delivery process. The brokers who were shadowed in this study had been in their occupation for up to 15 years and had mainly encountered this “profession” either by gaining familiarity with the process after multiple visits for their own personal work or due to unemployment and having been introduced to this work by an acquaintance within the system. The brokers gradually gained acceptance and legitimacy with the service seekers and became an integral part of service delivery, perceiving themselves as taking on a substitutive role in the system.

With respect to service-seeking behaviour, the results from the survey show that service seekers were usually low on confidence and not aware of the availability of these services online, and a majority came from a low economic class. They were sensitive to costs involved in multiple visits to the MCD and thus were in need of support to accomplish the objective in just one visit. The usual tasks of the brokers included filling in relevant official forms, affidavit undertakings, calculating property tax, or making payments. While all of these are available online, around two-thirds of the seekers were unaware of this, and the remainder found the online system too complicated or encountered technical difficulties.

Institutional responses fell into three categories: no response, administrative reforms in the form of e-governance,

and the introduction of the new doorstep delivery of administrative services by the GNCTD. Public officials inside the premises were indifferent to the brokers’ operation as long as there was no apparent corrupt practices happening that caused customer distress. The experts and GNCTD officials however claimed that the general public suffer in multiple ways without the brokerage service, including through the (opportunity) cost of multiple visits to office premises.

E-governance has so far failed to displace the brokers due to multiple problems, including a lack of user awareness of online services, information technology illiteracy, complicated software design, and vulnerable server hardware.

The third type of institutional response, which was partly also a response to the failure of e-governance, was the GNCTD’s initiation of home delivery of public services. While almost all registered calls were fulfilled, the vast majority of requests were not registered in the first place due to technical problems and capacity issues; as a result, the direct-window method still remains the most popular option.

The findings were then analysed in light of the conceptual framework developed by Helmke and Levitsky and qualified the role of brokers as performing four possible types of informal institutional function depending on both the governance outcomes and interactions with formal institutions and the perspective of the various stakeholders. At a basic level, the analysis confirmed the model’s assumption that formal institutions often constrain actors’ expectations and behaviour and become a trigger for the emergence of informal rules (Helmke and Levitsky 2004: 733). It is possible to argue that the existence of these brokers will be necessary until the formal institutions become robust and effective. Future research may focus on the various types of brokers involved in public service delivery and their motivation in the age of digitisation and increasing internet literacy.

In terms of policy implications, the findings and analysis of this study point to the need for comprehensive administrative reform that targets the strengthening of formal institutions along with demand-side readiness. For example, while robust e-governance platforms may seem promising, it is important to ensure the widespread availability of technical infrastructure and capable bureaucratic personnel tasked with these operations. On the demand side, seemingly basic tools such as a robust helpline number and ushering facilities at the physical premises are needed in order to guarantee self-sufficiency in obtaining citizen services.

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#### Appendix 1: The List of Cited Interviewees and Codes

Respondent Type	Organisation	Designation	Code
Expert	United Residents Joint Action (URJA)	CEO	E 1
Expert	PRAJA	Project officer	E 2
Expert	Centre for Policy Research (CPR)	Research fellow	E 3
Expert	CPR	Research director	E 4
Key informant	North Delhi Municipal Corporation (NDMC)	Commissioner—licensing and registration	KI 11
Key informant	GNCTD—DDC (Dialogue and Development Commission of Delhi, a think tank within the GNCTD)	Facilitator (employee)	KI 12
Key informant	SDMC	Service seeker	KI 13
Key informant	NDMC	Service seeker	KI 14
Key informant	NDMC	Service seeker	KI 15
Key informant	SDMC	Broker 1 (Pawan)	B 1
Key informant	NDMC	Broker 2 (Pankaj)	B 2

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# Measurement and Analysis of the Productivity of Indian Banks

DILIP AMBARKHANE, ARDHENDU SHEKHAR SINGH, BHAMA VENKATARAMANI

The paper reveals that cash holdings, the “growth rate of assets,” the “incremental gross non-performing assets,” and the “incremental cost of funds” negatively impact the productivity of banks, whereas the net interest margin has a positive impact. The paper also benchmarks major banks in India that can be used as an input in strategic decision-making.

In recent years, the Indian banking industry has shown a decline in profitability and asset quality. In 2017–18, the scheduled commercial banks incurred losses of ₹324 billion with gross non-performing assets (GNPAs) rising to 11.6% of gross advances. The losses and GNPs for public sector banks (PSBs) were higher, amounting to ₹854 billion and 15.6% of gross advances, respectively (RBI 2018b). The Reserve Bank of India (RBI) has cautioned that growing GNPAs and losses of banks may endanger the stability of the banking sector (RBI 2018a). Moreover, the gross domestic product (GDP) growth rate of India has declined from 8.17% in 2016 to 6.98% in 2018 (World Bank Data 2018), causing serious concern for all the stakeholders.

The measurement and analysis of the productivity of banks is important as it affects the financial stability (Rossi et al 2005). It will provide insights for taking corrective actions and stimulating economic development (Athanasoglou et al 2008). Economic growth is augmented by several factors, such as efficiency of financial intermediaries, increased credit (King and Levine 1993), and reduction in the interest margins (Koivu 2002). Thus, financial sector development leads to economic growth. It is possible that there exists a two-way relationship between economic growth and financial development (Khan and Senhadji 2000). But whatever be the direction of relationship, the efficiency of the banking sector is important (Singh 2016).

The Government of India has been addressing deteriorating condition of banks for a long time. In 2015, it had announced capital infusion of ₹700 billion in PSBs over a period of four years. In 2016, the Insolvency and Bankruptcy Code (IBC) was introduced providing for time-bound resolution of non-performing assets (NPAs). In 2018, the government had announced massive recapitalisation of PSBs by infusion of capital amounting to ₹2,110 billion (Press Information Bureau of India 2018). Of this, an amount of ₹1,350 billion was to be financed through recapitalisation bonds and the balance through budgetary provisions.

These measures will not be successful unless the individual banks take appropriate steps to improve their performance. This paper attempts to measure the productivity of 31 major Indian banks (constituting 93.61% of loan portfolio of the banking industry in 2018), for the period from 2005 to 2018. It benchmarks individual banks and suggests corrective measures for improvement in productivity.

The purpose of this paper is to identify the factors affecting the productivity of banks and to suggest measures to

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improve it. The paper also compares the productivity of PSBs with that of the private sector banks and further examines the movement of their mean productivities over the period under study. The productivity-wise benchmarking of banks is done, which will be useful in strategic decision-making. The paper significantly contributes to the literature and has several policy implications.

## Literature Review

The purpose of the review is to understand (i) the inputs and outputs considered by various researchers while measuring productivity, and (ii) the approaches adopted and parameters used.

In several studies relating to the productivity of banks, the factors external to the organisation have not been considered such as the GDP growth and inflation rates (Demirgüç-Kunt and Huizinga 1999), the market conditions, the regulatory environment, and the legal environment (Hughes and Mester 2008). Moreover, some of the researchers have found that economic conditions do not significantly impact bank productivity (Hassan 2006) and that the relation between profitability and macroeconomic variables is not clear (Alexiou and Sofoklis 2009). In view of the above, we have not considered external variables in this analysis of productivity. The productivity is influenced by internal factors (Alexiou and Sofoklis 2009) that can be controlled by the management of the bank and therefore we have considered only bank-related internal factors.

There are two approaches for measuring bank's productivity, namely intermediation and production approaches (Sathye 2003). The intermediation approach views banks as financial intermediaries that convert deposits, purchased funds and labour into loans, and other assets (Berger and Humphrey 1992), whereas the production approach views banks as firms offering services such as accepting deposits, disbursing loans, and other assets as outputs using capital and labour (Benston 1965).

As revealed through the literature review, we have captured the details of inputs and outputs used by various researchers to measure the productivity of banks as given in Table 1.

It is observed from the table that the researchers have considered inputs and outputs based on the approach they have adopted to measure productivity.

**Table 1: Inputs and Outputs Used by Researchers to Measure Productivity**

Researchers	Inputs	Outputs
Intermediation approach		
Mester (1994)	Labour, capital, and borrowed money	Real estate loans, other loans, and loans to individuals
Galagedera and Edirisuriya (2004)	Operating expenses and deposits	Loans and other earning assets
Sathye (2003)	Deposits and number of staff	Net loans and non-interest income
Chu and Lim (1998)	Shareholder's fund, interest expenses, and operating expenses	Annual increase in average assets and profit
Kwan (2006)	Labour, physical capital, and borrowed money	Loans and earning assets
Production approach		
Fries and Taci (2005)	Total costs	Loans and deposits
Laeven (1999)	Interest expense, labour expense, and other operating expense	Loans and securities
Maudos et al (2002)	Cost of loanable funds, cost of labour, and cost of physical capital	Loans, other earning assets, and deposits
Mohan and Ray (2004)	Cost pertaining to interest and that pertaining to operations	Income from loans, income from investments, and non-interest income
Wanke et al (2016)	Total costs (excluding employee costs) and employee costs	Total deposits, income before tax, and total credit

Source: Compiled by the authors.

We use the intermediation approach, which is considered to be more appropriate for the banking sector for two reasons, namely (i) the major activity of banks involves conversion of deposits into loans or financial investments, and (ii) it correctly categorises deposits as inputs (Elyasiani and Mehdiyan 1990). Furthermore, liabilities can be considered as inputs and assets can be considered as outputs. In the process of intermediation, the banks pay out and receive interest (Mamalakos 1987).

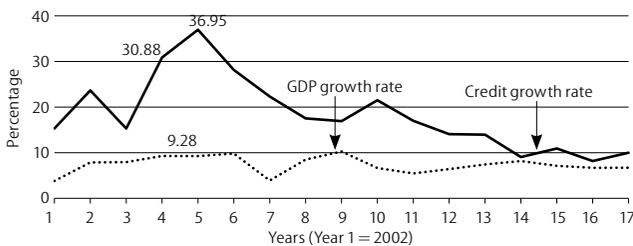
In view of the above assessments, we have used capital, deposits, borrowings, and costs as inputs and loans and income as outputs for calculation of productivity. We have chosen these parameters based on the justification that follows. In India, banks are required to keep capital in proportion to their risk-weighted assets (RWAs). Thus, their lending ability is dependent on capital and this has been considered as the first input. The liabilities of the banks (deposits and borrowings) provide investible funds for the banks, which are converted to assets (Berger and Humphrey 1992) and hence this is taken as the second input. In the process of intermediation, the banks pay out interest and incur other costs to facilitate operations and this is considered as the third input.

In India, banks are primarily engaged in lending, and, as such, loans constitute a major proportion of their assets. Hence, we consider this as the first output. Finally, in the process of intermediation, banks earn interest and non-interest income and this is considered as the second output.

## Methodology

We will now describe the suitability of Malmquist productivity index (MPI) in studying the productivity of banks in India and then justify the selection of the period of study. It further explains the selection of inputs and outputs, and, finally, analyses productivity index and its components in terms of bank-related factors.

**Malmquist productivity change index:** The term "total factor productivity" (TFP) is identical with multifactor productivity. It has two major components, namely efficiency and technological change. Following Fare et al (1994), we have used output-oriented Malmquist productivity change index (MPCI). It allows splitting of the TFP change in three indices, namely pure technical efficiency, scale efficiency, and technology changes.

**Figure 1: Credit and GDP Growth Rates, 2005–18**

Source: Compiled by the authors.

The index measures TFP change, which can occur because of technological progress in the industry or change of efficiency of the organisation or its scale efficiency. These indices provide an understanding about the areas in which inefficiencies are arising.

This paper measures changes in the TFP of 31 major banks in India during 2005 to 2018. The sample comprises 21 banks from the public sector and 10 from the private sector. They together constitute 86.34% and 93.61% of the loan portfolio of scheduled commercial banks in 2005 and 2018, respectively. Data is obtained from the annual reports of the respective banks and from the RBI (<https://www.rbi.org.in/>).

**Period of study:** Singh (2016) observes that there is a strong relationship between bank credit and GDP growth. The author further observes that during the period of high credit growth, banks often compromise on quality standards in credit management.

We have considered 2005 as a base year for the calculation of MPC1, and the period of study is 2005 to 2018. As shown in Figure 1, in 2005, the GDP growth rate was high at 9.28%, and the credit growth rate was very high at 30.88%. During subsequent years, the GDP growth rate dipped to 3.89% (in 2008), and there was a corresponding dip in the credit growth rate too, though it continued to be as high as 22.30%. From 2011, the gap between GDP and credit growth rate started narrowing and came closest to each other in 2014.

The period under study is important from the perspective of NPAs of the banking industry. The GNPA of the banking industry were 7.26% in 2004, which started declining since 2005, reaching the all-time low of 2.35% in 2011. The GNPA level started significantly increasing after 2015 (4.27%) and reached alarming proportion of 11.18% in 2018. As such, the period under study is significant from the viewpoint of the GDP growth, credit growth as well as the growth of NPAs of the banking industry.

**Selection of inputs and outputs:** Berger and Humphrey (1992) observed that banks are financial intermediaries and their liabilities provide raw material in the form of investible funds for the banks, which are converted to assets. Thus, liabilities can be considered as inputs and assets can be considered as outputs. Mamalakis (1987) had discussed the treatment of interest and had also considered interest paid and received as inputs and outputs, respectively.

Banks are allowed to create RWAs as a certain multiple of net worth. The paper therefore considered net worth as an input (as it determines the ability of the bank to lend or invest)

in addition to the total liabilities. Moreover, in place of interest payments and interest receipts, banks have taken the total income and total expenses as input and output, respectively. This is because, during the course of their operations, banks pay/receive substantial amount of money by way of non-interest expenses and non-interest income over and above the interest payments/interest receipts.

There are two major assets for the banks, namely loan and investment portfolio. In India, lending is the primary function of commercial banks, and only surplus funds are invested in financial markets mostly in the form of government securities. The paper therefore considered only loan portfolio as the output.

In view of the above, we have taken net worth, total debt, and expenses as inputs and outstanding loan portfolio and income as outputs.

**Analysis of productivity change:** The researchers have found that technological progress, which is cyclical in nature, significantly enhances the productivity of banks (Das and Ghosh 2006; Park and Weber 2006), thus making productivity change also cyclical in nature (Lam 2001). It is also that current growth enhances future profitability (Goddard et al 2004), further reinforcing the cyclical nature of productivity.

In order to establish the extent of the cyclical nature of productivity change, we considered lag variables, namely Tfp<sub>c</sub>(-1) and Tfp<sub>c</sub>(-2) in addition to the bank-related variables such as outstanding cash balance, growth rate of assets, growth rate of investments, incremental GNPA, incremental cost of funds, and the net interest margin (NIM).

We have considered five models for the analysis of components, namely Tfp<sub>c</sub> (Model-1), technology (Model-2), efficiency (Model-3), scale efficiency (Model-4), and pure efficiency (Model-5).

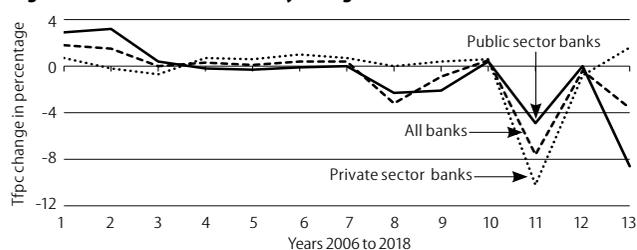
We have used dynamic econometric models by considering each of the components as a linear function of their respective first and second lags, along with the variables mentioned above.

Following Beck and Katz (1995), we have used estimated generalized least square (EGLS), period SUR panel corrected cross section weights (PCSE) methods for estimation. This method corrects for the arbitrary period serial correlation and period heteroscedasticity for a given cross section. It is a two-stage method, and the residuals obtained from the first stage are used to form an estimate of the error covariance matrix. In the second stage, a feasible generalised least squares specification is estimated. Standard error and covariances are calculated with panel-corrected cross sectional weights to obtain a robust estimate of the cross section residual covariance matrix.

## Findings and Discussions

We discuss the changes in the productivity of public and private sector banks between 2005 and 2018 and then the regression results.

**Productivity:** Annexure Table 2 (p 61) gives the bank-wise values of components of productivity as in 2018 for public and private sector banks with 2005 as the base year.

**Figure 2: Total Factor Productivity Change—2006 to 2018**

Source: Compiled by the authors.

It is observed from Annexure Table 2 that mean efficiency as well as mean technical and mean TFP of private sector banks as in 2018 is higher than that of the PSBs. It is found through the application of the Mann–Whitney  $U$  test, Kolmogorov–Smirnov test, and Kruskal–Wallis Tests to the distribution of indices of Efficiency Change (Effch), technical change (Techch), and total factor productivity change (Tfpc) that these are higher for private sector banks than that for PSBs.

We have further ranked public and private sector banks separately, for efficiency change, technical change, and total factor productivity change. In the PSB category, Vijaya Bank and Bank of Baroda are ranked first and second, respectively, in all these three efficiency changes. The Indian Bank is at the bottom of the list in the case of total factor productivity change and technical change, followed by the United Commercial Bank. In the case of efficiency change, the United Commercial Bank is the worst performer, followed by the United Bank of India.

The Vijaya Bank and Dena Bank were merged with the Bank of Baroda with effect from 1 April 2019. Dena Bank is ranked 11th in case of efficiency change, 4th in the case of technical changes, and 8th as per total factor productivity change, respectively. Thus, it appears that the aim is to strengthen the banking system by merging two strong banks with one moderately weak bank.

Like PSBs where the government has devised strategies to weed off weak banks, in the private sector, the stronger banks may acquire weaker banks and strengthen the banking system. However, this is left to the market forces where the government has a limited role to play.

### Productivity of Banks (2006–18)

The paper looked at the changes in the productivity of public and private sector banks during the period under study. The movement of groupwise annual means of the productivity of both the groups and that of the sample (all banks) is shown in Figure 2.

The productivity of PSBs was higher during 2006–08. During 2009–15, the private sector outperformed the public sector. In 2016 and 2017, the productivity of both the groups was negative, but the private sector suffered more as compared to the public sector. Thereafter, the productivity of private sector improved but that of the public sector declined significantly.

### Analysing Productivity Change

We have calculated MPCr by considering capital, borrowings, and expenditure as the inputs and credit portfolio and profit as the outputs. The researchers have observed that there are several

factors such as cash holdings, size of the organisation, investments, NPAs, etc, which influence cost or income of the banks.

**Cash holdings:** The banks are required to keep cash balances with the RBI in proportion to their net demand and time liabilities (NDTL). Cash held is a non-interest earning asset. In addition to the opportunity cost, there are other costs associated with cash holdings such as transport cost, handling cost, and insurance (Miller and Orr 1966). Therefore, the efficiency of banks is affected by the level of cash holdings (Cabello 2013).

**Asset size:** It is found that the profitability of banks increases with its size, that is, the total assets (Das et al 2005; Hassan 2006). However, Koutsomanoli et al (2009) argues that productivity is negatively related to the growth of assets. This is because when the size grows beyond the optimum level, the productivity declines, leading to diseconomies of scale. As a result, the profitability also declines.

**Investments:** The banks in India are required to invest 18.25% of the NDTL in the form of government-approved securities as a statutory requirement. These are highly liquid investments and carry lower rates of return as compared to the average return on loans. However, banks are investing 8.4% of the NDTL (as on 28 February 2020) in excess of the statutory requirement, and the proportion of investments in other market securities is declining because of the associated risks (RBI 2020). The earning on investments constitutes a substantial portion of the banks, income and has significant impact on profitability.

**Non-performing assets:** The NPAs negatively impact profitability due to the loss of interest income and additional provisioning (Koutsomanoli et al 2009). These may be due to endogenous factors like poor management, resulting in the failure to control risks and costs of recovery (Berger and Humphrey 1997). However, the net non-performing assets (NNPAs) level of 9.46% is a cause for concern.

**Cost of funds:** The average cost of funds for the sample increased to 5.32% in 2018 from 4.90% in 2006, with fluctuations during the period. The average cost gradually increased from 4.90% (2006) to 6.76% (2009) and declined to 5.49% (2011). From 2011, it increased to 7% in 2013 and progressively declined to 5.32% in 2018.

**Net interest margin:** The NIM is reduced by increasing costs (Berger and Humphrey 1991; Allen et al 1997), which in turn reduces profitability. The NIM for the sample has declined from 3.04% in 2006 to 2.50% in 2018. However, the decline was not progressively downwards. The NIM gradually declined from 3.04% in 2006 to 2.53% in 2008. In 2009, it increased to 2.63%; in 2010, it decreased to 2.59%; and in 2011, it again increased to 2.94%. In the subsequent period from 2011 to 2018, the NIM gradually declined from 2.94% to 2.50%.

The description of variables used in these models is given in Table 3.

In view of this, the index calculated is analysed as a variable dependent on cash holdings, growth rate of assets, growth rate of investments, incremental GNPA's, incremental cost of funds, and the NIM. We have estimated the total factor productivity change, technology change, efficiency change, scale efficiency change, and pure efficiency change as linear functions as shown in equations (1), (2), (3), (4), and (5) using dynamic econometric models 1 to 5.

**Table 3: Details of Variables**

Variable	Description	Data Source
tfpc	Total factor productivity change	Malmquist
tfpc(-1)	Tfpc difference over the previous year	Productivity
tfpc(-2)	Tfpc difference over the second preceding year	Index
techch	Technology change	
techch(-1)	Tech difference over the previous year	
tech(-2)	Tech difference over the second preceding year	
effch	Efficiency change	
effch(-1)	Efficiency difference over the previous year	
effch(-2)	Efficiency difference over the second preceding year	
sech	Scale efficiency change	
sech(-1)	Scale efficiency difference over the previous year	
sech(-2)	Scale efficiency difference over the second preceding year	
pech	Pure efficiency change	
pech(-1)	Pure efficiency difference over the previous year	
Pech(-2)	Pure efficiency difference over the second preceding year	
cash	Outstanding cash balance	Annual reports
grassets	Growth rate of assets	of respective
grinv	Growth rate of investments	banks
ignpa	Incremental GNPA's over the previous year	Reserve Bank
incof	Incremental cost of funds over the previous year	of India
nim	Net interest margin (difference between average interest received and average interest paid)	

Source: Compiled by the authors.

**Table 4: Results of Estimated Generalised Least Square Period SUR (PCSE)—Models 1 to 5**

Variable	Model-1 tfpc		Model-2 techch		Model-3 effch		Model-4 sech		Model-5 pech	
	Coeff	SE	Coeff	SE	Coeff	SE	Coeff	SE	Coeff	SE
C	0.978 ***	0.0054	0.989 ***	0.0025	0.989 ***	0.0035	0.998 ***	0.0014	0.9895 ***	0.0029
cash	-2.33E-09 *	1.30E-09	-2.50E-09 ***	6.96E-10	-4.21E-10	2.67E-09	2.77E-10	7.23E-010	1.68E-09	1.72E-09
grassets	-0.0001	6.88E-05	-9.20E-05 **	3.89E-05	-0.0001 **	7.26E-05	-1.53E-06	4.04E-05	-1.77E-05	6.37E-05
grinv	0.0001 **	5.13E-05	1.80E-05	2.72E-05	0.0003 ***	5.47E-05	5.31E-05 **	2.48E-05	0.0003 ***	4.77E-05
ignpa	-0.003 ***	0.0005	-0.0003	0.0002	-0.0028 ***	0.0006	-0.0002	0.0003	-0.0025 ***	4.77E-05
incof	0.0004	0.0011	0.0035 ***	0.0007	-0.0021 **	0.0008	-0.0016 **	0.0006	-0.00035	0.0008
nim	0.0063 ***	0.0019	0.0035	0.0009	0.0017	0.0012	0.0003	0.0005	0.0011	0.0010
tfpc(-1)	0.361 ***	0.0036								
tfpc(-2)	0.260 ***	0.0037								
tech(-1)			0.294 ***	0.0039						
tech(-2)			0.167 ***	0.0054						
effch(-1)					0.339 ***	0.0081				
effch(-2)					0.156 ***	0.0113				
sech(-1)							0.253 ***	0.0146		
sech(-2)							0.003	0.009		
pech(-1)									0.2633 ***	0.0109
pech(-2)									0.1505 ***	0.0149
R-squared		0.9766		0.9176		0.819		0.4803		0.6265
Adj R-squared		0.9761		0.9157		0.815		0.4687		0.6202
F-stat		1863.479		496.72		202.173		41.249		75.51
Prob		0.0000		0.0000		0.0000		0.0000		0.0000
DW stat		1.641		1.839		1.599		1.767		1.503

\*\*\* \*\* and \* means 1%, 5%, and 10% level of significance respectively.

Source: Compiled by the authors.

**Model 1: Total factor productivity change**—Thus, total factor productivity change is expressed as

$$(tfpc)_{i,t} = c + \alpha_1 (tfpc (-1))_{i,t} + \alpha_2 (tfpc (-2))_{i,t} + \alpha_3 (cash)_{i,t} + \alpha_4 (grassets)_{i,t} + \alpha_5 (grinv)_{i,t} + \alpha_6 (ignpa)_{i,t} + \alpha_7 (incof)_{i,t} + \alpha_8 (nim)_{i,t} + \epsilon_{i,t} \quad \dots (1)$$

where *i* is the suffix for banks taking values from 1 to 31 and the *t* suffix stands for the year with values from 1 to 13.

(The year 1 pertains to 2006 and the year 13 pertains to 2018.)

Similarly, we have estimated the technology change, efficiency change, scale efficiency change, and pure efficiency change as linear functions of cash holdings, growth rate of assets, growth rate of investments, incremental NPAs over previous year and incremental cost of funds over previous year, and the NIM. These estimations are shown in equations (2) to (5).

**Model 2: Technology change**

$$(techch)_{i,t} = c + \alpha_1 (techch (-1))_{i,t} + \alpha_2 (techch (-2))_{i,t} + \alpha_3 (cash)_{i,t} + \alpha_4 (grassets)_{i,t} + \alpha_5 (grinv)_{i,t} + \alpha_6 (ignpa)_{i,t} + \alpha_7 (incof)_{i,t} + \alpha_8 (nim)_{i,t} + \epsilon_{i,t} \quad \dots (2)$$

**Model 3: Efficiency change**

$$(effch)_{i,t} = c + \alpha_1 (effch(-1))_{i,t} + \alpha_2 (effch(-2))_{i,t} + \alpha_3 (cash)_{i,t} + \alpha_4 (grassets)_{i,t} + \alpha_5 (grinv)_{i,t} + \alpha_6 (ignpa)_{i,t} + \alpha_7 (incof)_{i,t} + \alpha_8 (nim)_{i,t} + \epsilon_{i,t} \quad \dots (3)$$

**Model 4: Scale efficiency change**

$$(sech)_{i,t} = c + \alpha_1 (sech(-1))_{i,t} + \alpha_2 (sech(-2))_{i,t} + \alpha_3 (cash)_{i,t} + \alpha_4 (grassets)_{i,t} + \alpha_5 (grinv)_{i,t} + \alpha_6 (ignpa)_{i,t} + \alpha_7 (incof)_{i,t} + \alpha_8 (nim)_{i,t} + \epsilon_{i,t} \quad \dots (4)$$

### Model 5: Pure efficiency change

$$(\text{pech})_{i,t} = c + \alpha_1 (\text{pech}(-1))_{i,t} + \alpha_2 (\text{pech}(-2))_{i,t} + \alpha_3 (\text{cash})_{i,t} + \alpha_4 (\text{grassets})_{i,t} + \alpha_5 (\text{grinv})_{i,t} + \alpha_6 (\text{ignpa})_{i,t} + \alpha_7 (\text{incof})_{i,t} + \alpha_8 (\text{nim})_{i,t} + \varepsilon_{i,t} \quad \dots (5)$$

We have tested the data for stationarity, autocorrelation, and multicollinearity.

**Stationarity:** We have applied Fisher PP Chi-square test (Phillips and Perron 1988; Liddle 2011) for testing the stationarity of data. The results indicate that all the variables used in the models are stationery.

**Autocorrelation:** Autocorrelation is checked by using Durbin–Watson statistics. The Durbin–Watson statistics for the proposed models are shown in Table 4 (p 58). The minimum value is 1.50, whereas the maximum value is 1.84. Thus, the values for all the models are within the acceptable range of 0.710 to 1.906.

**Multicollinearity:** The extent of multicollinearity amongst the variables is tested using the variance inflation factor (VIF) for models 1 to 5. The regressors are moderately correlated (Akinwande et al 2015).

**Empirical results and discussions:** The results are given in Table 4.

### Variable-wise Observations

The variable “cash” is significant for models 1 (Tfpc) and 2 (tech) and is negatively impacting the productivity. The “growth rate of assets” is significant for models 2 and 3 and is negatively impacting the productivity. The “growth rate of investments” is significant for all the models, except model 2 and is positively impacting productivity. The variable “incremental gross NPA” is significant for models 1, 3, and 5 where it is negatively impacting productivity. The “incremental cost of funds” is significant in models 2, 3, and 4 and is positively affecting the productivity in model 2 but negatively affecting productivity in models 3 and 4. The “NIM” is significant only in model 1 and is positively impacting productivity.

It is observed that, except for sech(-2), the coefficients of all other lag variables are significant. The coefficients of Tfpc(-1) and Tfpc(-2) are positive, implying that the higher the value of these variables, the higher is the increase in TFP. It is found that the value of coefficient of Tfpc(-1) is higher than that of Tfpc(-2), implying that the impact of the previous year’s productivity is higher as compared to the second preceding year. This indicates that an increasing trend will reinforce a rise in productivity, whereas a decreasing trend will aggravate the fall in productivity. This explains the near cyclical nature of the productivity graph for all banks (Figure 2). Similar trends are observed in other variables tech(-1), tech(-2), effch(-1), effch(-2), sech(-1), sech(-2), pech(-1), and pech(-2).

The values of R-squared and adjusted R-squared are high for the models 1, 2, and 3, whereas for models 4 and 5, these values are on the lower side.

### Model-wise Observations

**Model 1: Total factor productivity change**—It is observed from Table 4 that all the regressors, except “growth rate of assets” and “incremental cost of funds,” are significant.

In the Indian context, cash transactions are on the higher side, which require banks to keep higher cash holdings that do not earn any income. The cash payments as the percentage of GDP in India were 8.8% in 2016, which is very high as compared to other developing countries such as Brazil (3.7%) and South Africa (3.4%) (Bech et al 2018).

The coefficient of the variable “growth rate of investments” positively impacts productivity. Banks invest surplus funds in the market and a higher growth rate of investments brings additional income to the banks, thus augmenting its profitability.

The variable “incremental GNPA” is negatively impacting productivity. Increase in NPAs adversely affects banks’ profitability in two ways—by way of loss of interest and due to the cost of recovery.

The variable “NIM” is positively impacting TFP. It is observed that “incremental cost of funds” is negatively impacting efficiency change, and the scale efficiency change. Thus, the reduction in the cost of funds will impact these components of productivity. This will increase “NIM” and improve TFP.

**Model 2: Technology change**—The technology change revealed through regression analysis is associated with the adoption of core banking solutions by the banks. By 2006, banks were able to handle a big volume of business and a large number of clients with ease, and the bank deposits increased to ₹84.83 trillion in 2018 from ₹18.04 trillion in 2006. Similarly, it is observed from Table 4 that technology change is negatively related to “cash” and the “growth rate of assets” and is positively related to the “incremental cost of funds.”

The higher the cash holdings, the lesser will be the availability of funds for lending, thus resulting in the reduction in credit portfolio and in the corresponding revenue. A negative impact of growth rate of assets signifies that the banks are acquiring non-remunerative assets, such as cash holdings and government securities. The average cost of deposits rose from 4.47% (in 2006) to 6.36% (in 2018), whereas the average cost of borrowings declined from around 13% in 2006 to 4.60% in 2018. Thus the improvement in technology has helped mobilise increased deposits but has not been effective in increasing the profitability of banks. Thus, the technological improvement is associated with the incremental cost of funds.

**Model 3: Efficiency change**—Out of four variables that are significant, three variables, namely “growth rate of assets,” “incremental GNPA,” and “incremental cost of funds” are negatively impacting, whereas the variable “growth rate of investments” is positively impacting. This implies that the Indian banking industry is expanding on an unsustainable rate. The growth rate of investments positively impacts efficiency through improved profitability.

**Model 4: Scale efficiency change**—Growth rate of investments is positively impacting, whereas the incremental cost of funds is negatively impacting the scale efficiency change. The incremental cost of funds has a negative impact as an increase in scale increases the costs due to the increase in the cost of funds.

**Model 5: Pure efficiency change**—The growth rate of investments is favourably influencing pure efficiency change as these generate incremental income, whereas the growth rate of NPAs is negatively influencing efficiency because an increased amount of NPAs reduce income and add to the costs.

### Conclusions and Limitations

We have measured the change in the total factor productivity of 31 Indian banks from 2005 to 2018 using MPI, taking 2005 as a base year. Inputs taken are net worth, total debt, and expenses, whereas outputs are outstanding loan portfolio and income. The sample comprises 21 PSBs and 10 private sector banks constituting 86.34% and 93.61% of the loan portfolio of scheduled commercial banks in 2005 and 2018, respectively.

Amongst the PSBs, Vijaya Bank and Bank of Baroda are ranked first and second, respectively, in respect of all the three efficiency changes. This indicates that the merger initiatives between Vijaya Bank, Dena Bank and the Bank of Baroda were an attempt to strengthen the three PSBs by merging one strong bank with three weak ones. It seems that the attempt was to strengthen two moderately weak banks with one strong bank amongst the public sector by merging them.

In the private sector, Kotak Mahindra Bank is at the bottom of the list, followed by ICICI Bank in respect of total factor productivity change. The latter is the largest bank in the private sector in India. As such, the paper has benchmarked banks in India with reference to productivity. The results can be used as one of the inputs in deciding merger schemes of the banks.

It is found that efficiency, technical efficiency, and TFP for private sector banks (mean values) are higher than those of PSBs, respectively. However, public and private sector banks have performed differently during the periods under study. The productivity of PSBs was higher during 2006–09 (as compared to private sector), whereas the productivity of private sector banks was higher than that of PSBs during 2009–13. In 2016, the productivity of both the groups was negative, but the private sector's performance was worse

than that of the public sector. In the subsequent years, the productivity of private sector improved but that of public sector declined significantly.

We have further estimated the Malmquist productivity change as a linear function of cash holdings, growth rate of assets, growth rate of investments, incremental NPAs, incremental cost of funds, and the NIM. It is found that cash holdings and incremental GNPA are negatively impacting, whereas growth rate of investments and NIM positively impact the TFP.

Banks in India are paying a higher rate of interest to senior citizens on deposits and are charging lower rates of interest on priority sector advances as compared to the market rates. As these are social welfare security measures, the interest differential should be reimbursed by the government to the banks. This will reduce the cost of funds, improve NIM, and enhance the productivity of banks. There is a case for a reduction in the rate of interest on deposits by the banks. This might lead to lower mobilisation of funds but will also reduce the cost of funds.

It is found that the improvement in technology after 2005 has facilitated the growth of bank deposits. The deposits constitute a major portion of the banks' funds and as the average cost of deposits is rising since 2006, the average cost of funds for banks is also rising. This is negatively impacting the productivity of banks. This is because the banks are investing in low-return, low-risk government securities and are not lending enough on account of perceived high risks. This has led to mobilising higher deposits at increased costs, nullifying the benefits of technology. It is found that the "growth rate of assets" is negatively impacting the technology change component of productivity. This implies that banks are acquiring non-remunerative assets.

In order to facilitate the reduction in cash holdings of the banks and cash reserve ratio, it is suggested to take measures to improve the digitisation of economy. Moreover, lowering of the statutory liquidity ratio will increase lendable resources of the bank and will improve profitability with the reduction of investments in low-yielding government securities. The reduction in NPAs of banks through legal reforms, faster execution of law suits for recovery, realistic assessment of credit proposals, and strict monitoring of loan accounts is suggested.

The year 2019 could not be included in the study due to the non-availability of data. It should also be noted that the values of R-squared and adjusted R-squared for models 4 and 5 are on the lower side.

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## Annexure

Table 2: Bank-wise Malmquist Productivity Change Index

SrNo	Bank	Pech	Sech	Effch (Pech*Sech)	Techch	Tfpc (Effch*Techch)
Public sector banks						
1	Allahabad Bank	1.033	1.009	1.042	0.931	0.97
2	Andhra Bank	1.032	0.997	1.029	0.943	0.97
3	Bank of Baroda	1.03	1.044	1.076	0.997	1.073
4	Bank of India	0.947	0.967	0.916	0.984	0.901
5	Bank of Maharashtra	0.876	1.047	0.917	0.923	0.846
6	Canara Bank	1.025	0.974	0.998	0.953	0.952
7	Central Bank of India	1.011	0.974	0.985	0.966	0.952
8	Corporation Bank	0.927	1.001	0.929	0.938	0.871
9	Dena Bank	0.93	1.027	0.956	0.987	0.944
10	Indian Bank	0.951	0.996	0.947	0.737	0.698
11	Indian Overseas Bank	0.959	1.006	0.964	0.966	0.932
12	IDBI Bank	0.93	1.01	0.939	0.963	0.905
13	Oriental Bank of Commerce	0.954	1.005	0.959	0.96	0.92
14	Punjab and Sindh Bank	0.942	1.061	1	0.982	0.981
15	Punjab National Bank	1.032	0.9	0.929	0.965	0.896
16	State Bank of India	1	0.926	0.926	0.992	0.919
17	Syndicate Bank	1	1	1	0.933	0.933
18	UCO Bank	0.821	0.994	0.816	0.904	0.737
19	Union Bank of India	0.988	0.95	0.939	0.962	0.903
20	United Bank of India	0.848	1.028	0.871	0.972	0.846
21	Vijaya Bank	1.081	1.047	1.131	1.022	1.155
	Mean (percentage)	0.965	0.997	0.963	0.950	0.914
Private sector banks						
22	Axis Bank	1.056	0.974	1.029	0.991	1.019
23	Federal Bank	1	1.012	1.012	1.039	1.052
24	HDFC Bank	1	1	1	0.997	0.997
25	ICICI Bank	1	0.969	0.969	0.996	0.965
26	IndusInd Bank	1	1.018	1.018	0.988	1.006
27	J&K Bank	0.998	1.07	1.068	1.009	1.078
28	Karur Vysya Bank	1	1.008	1.008	1.004	1.012
29	Kotak Mahindra Bank	1	1	1	0.919	0.919
30	South Indian Bank	1	1.08	1.08	0.988	1.067
31	YES Bank	1	1.019	1.019	1.035	1.055
	Mean (percentage)	1.005	1.014	1.020	0.996	1.016

Pech = pure efficiency change. Sech = scale efficiency change. Effch = efficiency change. Techch = technical change.

Tfpc = total factor productivity change.

Source: Compiled by the authors.

# Miya Poetry

## Identity Contestations and Reappropriation

NAYAN MONI KUMAR

*Miya* poetry is a genre of poems written by Bengal-origin Muslims that highlight the angst of a community that has struggled hard to integrate and assimilate with the larger Axamiya society. In this paper I argue that an analysis of *Miya* poetry must be placed within the larger context of identity contestation of Bengal-origin Muslims. Accordingly, *Miya* poetry seeks to stabilise the contested identity of this community by reappropriating the stigmatised social identity of *Miya*.

Growing up as *Miya*<sup>1</sup> in Assam has been a troubled experience for many people of Bengal-origin Muslim community, having to prove their allegiance to the land with every step. The identity crisis faced by this community has been brewing for years, with their citizenship status always under suspicion. The historical experiences and memory, along with the everyday experiences of members of this community have found expression, in recent times, in poetic verses called *Miya* poetry that seeks to tell their tale. By means of poetry, they attempt to speak out their experiences and celebrate whatever little this community has (Hussain 2019). These words, however, come from the depths of sadness and frustration, from the apparent failure of years and generations of struggle to be accepted as integral and productive citizens of India and participants in the bustling, multicultural, multi-lingual, and multi-ethnic space of Assam (Hussain 2016a).

In order to fully grasp the importance of *Miya* poetry, we must not confine it to the literary context. After all, *Miya* poetry has raised larger questions of a deeply political nature. As one of the poets says,

the assertion that our stories of suffering, misery and perpetual indiffer-  
ence need to be told is in itself a highly political act. (Abdul Kalam  
Azad in Das 2016)

In this paper I argue that *Miya* poetry must be understood in the context of an identity contestation. Accordingly, *Miya* poetry is an attempt to stabilise the social identity of a group that continues to remain within the ambit of such contestation. This it seeks to do by reappropriating a stigmatised social identity—that is *Miya*.

### Contestation of Social Identity

Contestation refers to the degree of agreement within a group over the content of shared identity (Abdelal et al 2006: 696). The content—or the collective meaning—of identities is neither fixed nor predetermined. Rather, content is the outcome of a process of social contestation within the group. Indeed, much of identity discourse is the working out of the meaning of a particular collective identity through the contestation of its members. Specific interpretations of the meaning of an identity are sometimes widely shared among the members of a group and at other times less widely shared. At a minimum then, contestation can be thought of as a matter of degree. However, the process of social contestation does not occur in a vacuum or social actors cannot always influence their direction or even their outcomes. In fact, the individuals who

The author thanks the anonymous reviewer for the careful reading of the manuscript and for providing insightful comments which helped to further develop the paper.

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compose a group often seek recognition of their identity by others and that struggle for recognition clearly influences the particular goals associated with an identity (Abdelal et al 2006: 700–01). Vargas and Kingsbury argue that racial group/s that a self identifies with does not always align with how they are perceived racially by others. Thus, there is a discordance between self-identification and external confirmation or recognition. They refer to this experience as racial identity contestation (Vargas and Kingsbury 2016: 718). While not applying the analytical category of race to understand the identity contestation of Bengal-origin Muslims, it is clear that such a dissonance—between self-identification and external confirmation—is also present here.

Who are the Bengal-origin Muslims? We may not have a single answer to this. Different terminologies have been used to define this group both within and outside this community and in the popular and academic discourse. In fact, “there’s no proper terminology to define people who live in *Char–Chaporī*<sup>2</sup> areas—the riverine islands in Assam where the population predominantly comprises of Bengal-origin Muslims (Kazi Sharowar Hussain in Singh 2019).

Are they immigrant Muslims (*Abhibashi Musalman*)? Are they Bengali Muslims? Are they Miya? Are they Neo-Axamiya (*Na-Axamiya*)? Are they *Axamiya*?<sup>3</sup> There are other terms that have been used to define and designate this group—*Pamua Musalman* (the farming Muslims), *Charua Musalman* (the Muslims of riverine islands that seasonally submerge into river waters), *Mymensinghia Musalman* (Muslims from Mymensingh of erstwhile East Bengal, now Bangladesh) (Hussain 1993: 200). What must be noted is the fact that these are not empty terms; they have deep sociopolitical and cultural connotations. As a result, these nomenclatures do not go without contestation both from within and outside the community. This involves both the contestation over the meaning of their collective identity and a discordance between their self-identification and external confirmation.

While acknowledging that the term “immigrant community” is problematical—even unfortunate since only the first generation can accurately be described as immigrant—Sanjib Baruah writes that a distinction between “immigrant” and “native” communities has become a part of the ethnopolitical landscape of the region (Baruah 1999: 52–53). Politics in Assam is significantly determined by these ethnic markers. The Bengal-origin Muslims are one of the immigrant communities in Assam. However, the vast majority of this community have adopted the Assamese language and Assamese ways over time to indicate their allegiance (Baruah 1999: 53). In this context, the use of the term “immigrant” to define and categorise this community has been resented by many from within the community. Hafiz Ahmed argues that to call this group as “immigrant”—who have now become Axamiya—would be to keep them away from Axamiya nationality. Ahmed has used the term *Bangamuliya Asomiya Musalman* (Bengal origin Axamiya Muslims) to define this community, keeping in mind the differences they have with the “Indigenous Axamiya Muslims” (Ahmed 2014) (my translation). However, the term “immigrant”/*Abhibashi* has

been used by Ismail Hossain to define this community. He has used the term “*Abhibashi Asomiya Musalman*” (Immigrant Axamiya Muslims) to define this group, which according to him reflects their history of immigration, integration—assimilation and their religious identity (Hossain 2018: 11). Hossain has been criticised by many from within this community for the usage of this term. However, he has clarified that the term only designates their historical condition. Like other communities in Assam who have been migrants in the past but now have become Axamiya, this community too has become Axamiya today (Hossain 2018: 15) (my translation). Today the designative term “immigrant” finds mention only in divisive political rhetoric and has been rejected by the majority from within this community.

Bengal-origin Muslims clearly maintain their differences from Bengali Muslims. “We identify ourselves as *Bengal-origin Assamese Muslims*. We are not *Bengali Muslims*” (Ahmed in Pisharoty 2019b). Unlike the Bengali Muslims, Bengal-origin Muslims live in the Brahmaputra Valley. Bengali Muslims are not directly involved in the issue of Axamiya identity because of their numerical insignificance and geographical isolation from the traditional “Axamiya” homeland (that is, Brahmaputra Valley). The most distinguishing aspect of Barak Valley Muslims is that linguistically they are *Bengali* (M Hussain 1993: 198). According to Ismail Hossain, many still prefer to call Bengal-origin Muslims as Bengali Muslims because of their earlier identity. But the spoken dialect of this community is rather a mixture that has seen the influence of Bengali, Assamese, Arabic, Urdu and other languages (Hossain 2018: 57). In fact, the dialect that this community speaks is dependent on the Assamese language (Jha 2019: 5) (my translation). Therefore, to call them Bengali Muslims has no logic (Hossain 2018: 57) (my translation).

### Emergence of a New Social Identity?

The term *Na-Axamiya* (Neo-Axamiya) was for the first time used by Jyotiprasad Agarwala in his poem *Axamiya Dekar Ukti*. Bishnu Prasad Rabha has used the term *Pamua Na-Axamiya* in a lecture delivered in 3 November 1960. The term *Na-Axamiya* was later on popularised by Homen Borgohain in 1960s and 1970s (Hossain 2018: 31–33) (my translation). Academic Manirul Hussain too has defined this community as *Na-Asamiya* since it specifies the group’s position in contemporary Assam and “Asamiya” nationality (Hussain 1993: 200). However, in his Assam Sahitya Sabha lecture delivered in 1977, Syed Abdul Malik called the terms *Na-Axamiya* (Neo-Axamiya) and *Puroni Axamiya* (Old-Axamiya) as divisive, which have become meaningless today (Quoted in Ahmed 2014) (my translation). Questions have also been raised over the nature of this definition. Is *Na-Axamiya* a particular stage on the way of becoming Axamiya or is it a permanent category? Initially many from within this community came to accept this designation. It was expected that with the passage of time they would become Axamiya from *Na-Axamiya*. But the turbulent anti-foreigner movement in Assam created hurdles on the way of the formation of greater Axamiya nationality. Instead of getting recognition as Axamiya they were belittled with names, such as “Pamua,” “Charua,” “Miya,” “Mymensinghia,”

“Bhatia,” etc (Ahmed 2020) (my translation). Of lately Miya poets have preferred the alternative Miya over Na-Axamiya because of its assimilative assumptions (Baruah 2020: 53)

Again, the identity contestation of Bengal-origin Muslims also take place within the question of whether they are Axamiya and are part of Axamiya nationality. While categorising various social groups in Assam into insiders and outsiders of Axamiya nationality, Manirul Hussain places “Na-Asamiya Muslims” within the insider category. However, he acknowledges their ambivalent position within the “Asamiya” nationality as certain problems are still not resolved properly and defined democratically. Linguistically, they have the problem of duality. Though they have adopted the Assamese language to become fully “Asamiyaised,”<sup>34</sup> they still have links with their earlier language and would need some more time to merge fully with “Asamiya” nationality. This incomplete merger, according to Hussain, is the weakest point of “Asamiya” nationality. The “Asamiya” ruling class instead of removing this weakness by democratically energising the ongoing assimilative process, at times, tried to force the Asamiyaisation process chauvinistically. This significantly weakened the “Asamiya” nationality formation process (Hussain 1993: 167–68).

Today, the most significant factor that creates the ambivalence of their status within Axamiya nationality is the old issue of illegal immigration. Assam’s post-independence politics was more or less determined by the issue of immigration, raising questions of citizenship, identity, and nationalism. In fact, illegal immigration is the most vexed issue that politics in Assam has failed to resolve till now. However, the heat of that unresolved issue has been faced by Bengal-origin Muslims of the state. As a consequence, the community has been put under a perpetual gaze of suspicion by the indigenes of the land. This creates the most difficult hindrance on the way of smooth integration of this community with Axamiya nationality. The surge of Hindutva forces in recent times has further complicated the matter. However, the majority of this community today self-identify themselves as Axamiya and have contributed significantly towards the economy of Assam and Axamiya culture and literature which, however, often goes unrecognised. In fact, whether Bengal-origin Muslims are Axamiya is a question of fierce contestation today.

The intra- and inter-group contestation is also reflected in debates over Miya identity. This contestation at the intra-group level revolves around whether this group should be defined as Miya or not. The term Miya is not a religious or communal term per se but today, in Assam, it has come to be associated exclusively with the Bengal-origin Muslims (Hossain 2018: 38) (my translation). One of the prominent votaries of Miya identity is Khabir Ahmed. Ahmed while rejecting various criticisms associated with Miya identity argues that the various terms that have been used to define this community like “Charua,” “Bhatia,” “Char-Chaporir Tholuwa Xomaj,” “Abhibashi Asomiya Musalman,” “Char-Chaporir Musalman Xomaj” are not inclusive in nature. They fail to reflect the collective characteristic of the community. The term Miya on the other hand is comprehensive and hence the most apt to define this community. While recognising the degeneration of the meaning of the term Miya, he argues

that socio-economic development and development of the life-style of this community will lead to the elevation of the term Miya and of their identity (Ahmed 2020). The Miya identity, however, remains contested. Ismail Hossain while criticising Khabir Ahmed defines this community as “Abhibashi Asomiya Musalman” (Hossain 2018: 11). However, both of them reiterate the need to recognise this community as Axamiya.

At the intergroup level, the contestation involves a prejudicial view towards the Miya identity due to the attribution of negative characteristics to it and a simultaneous resistance towards such views. Some of these negative characteristics associated with Miya identity go back to colonial times and some are reflections of contemporary politics. Etymologically, Miya is an address of respect and in Assam it was originally used to refer to the Muslim community of East Bengal origin<sup>35</sup> as a whole. It was after the Assam movement of 1979–85 that the term took on a derogatory connotation, suggesting illegal entry and usurpation of legitimate rights of the sons of the soil (Gosawami 2010: 4). In common parlance, the term Miya is used to denote an “illegal Bangladeshi,” an “outsider,” a “threat” to Axamiya identity and culture—the “other” among the indigenes. Miya in this sense is a stigmatised social identity.

However, this term has also been used in a positive sense, as an address of respect by litterateur Ananda Chandra Agarwala in his poem, *Miya Tansenor Geet, Miya Mansur Aru Moi* (Hossain 2018: 35). But such positive usage of the term is rare in popular discourse. The negative representation of this community as “Bangladeshi,” “infiltrator,” “land hungry migrant,” “foreigner,” “geda,” “Xondehjukto Nagorik” (suspicious citizens) does the harm of mal-recognition—which involves the essentialisation of a community that has struggled hard to assimilate with the larger Axamiya society. This contestation over Miya identity took a new turn in recent times when some young poets started asserting this stigmatised identity. The contestation over the identity of this community is not new. In fact, it goes back to the colonial period. From doubt and suspicion to open hostility in the colonial period to a strategic acceptance in a series of political and cultural developments in the postcolonial period, the attitude of Axamiya people towards Bengal-origin Muslims have shifted over the last hundred years (Dasgupta 2000). This strategic acceptance again turned into hostility during the anti-foreigner movement. Thus, the identity shifts of Bengal-origin Muslims have not been very stable and are often reflections of the contemporary sociopolitical factors. From a “land hungry migrant” to a “Na-Axamiya” and then to a “Miya,” an ambivalence has characterised the identity of this community. It is in the background of such identity contestations that the analysis of Miya poetry must be placed.

### Miya Poetry and Reappropriation

According to social identity theory, individuals strive to achieve or maintain a positive social identity. When a social identity is unsatisfactory, individuals will strive either to leave the existing group and join some more positively distinct group or to make their existing group more positively distinct. According to Henri Tajfel and John C Turner, social creativity

is one of the strategies adopted by groups to reconceptualise their social identity. Social creativity involves changing the values assigned to the attributes of the group, so that attributes which were previously negative are now perceived as positive (Tajfel and Turner 2004: 284–87). This revaluing process is at the core of reappropriation of a stigmatised group label (Galinsky et al 2003: 228). “Black is beautiful” is the classic example of this revaluing process. To reappropriate means to take possession for oneself that which was once possessed by another. It is a phenomenon whereby a stigmatised group revalues an externally imposed negative label by self-consciously referring to itself in terms of that label. Implicit in the concept of reappropriation is the idea that language is an ongoing process of negotiation, a power struggle over the connotative meaning of symbolic referents. As such, self-labelling can serve to diffuse the negative connotation of the word (Galinsky et al 2003: 222–32). In fact, self-labelling as a defiant action against a stigmatising constraint is a form of power because it contests who can use the term (Galinsky et al 2013: 2021). Further, by reclaiming names formerly soaked in derision, an individual exerts their agency and proclaims their rejection of the presumed moral order (Galinsky et al 2003: 232).

### The Origins of Miya Poetry

Miya poetry proper originate on 29 April 2016 after Hafiz Ahmed’s poem “Write Down I am a Miya” went viral on Facebook and generated similar responses from other poets (Hussain 2019). However, the poetry’s origin goes back to the colonial period, when in 1939 Maulana Bande Ali wrote the first poem *Charuwar Ukti* (A Charuwas Proposition) in Assamese, highlighting the sorrows of *Char–Chapori* Muslims. Even though he did not use the word Miya in his poem, the narrative of Miya poetry began then (Ahmed in Pisharoty 2019b). According to Shalim M Hussain, “Binito Nibedon Ei Je” (I Beg to State That) written by Khabir Ahmed in 1985 in the aftermath of the Nellie Massacre was the first true assertion of “Miyahness” and started the trend of Miya poetry among these people (Hussain 2019).

What does Miya poetry talk about? That Miya poetry raises the issue of the ambivalent status and identity of this community is reflected in the verses of the poem “I Beg to State That” written by Khabir Ahmed. He writes:

After 40 years of independence  
I have space in the words of beloved writers  
The brush of your scriptwriters does not dip in my picture  
My name is left unpronounced in assemblies and parliaments  
On no martyr’s memorial, on no news report is my name printed  
Even in tiny letters Besides you haven’t yet decided what to call me—  
Am I *Miyah*, *Asomiya* or *Neo-Asomiya*?

— Khabir Ahmed in Shalim M Hussain (2016b)

Chan Miyah’s poem “I Don’t Know My Name Today” highlights the simmering identity crisis that this community is facing:

I don’t know my name  
lost: it’s lost in misspelling, taunts, jeers  
And the quagmire of your office papers, closets, cabinets

I have lived many names, many lives  
But none of my own.

— Chan Miyah in Shalim M Hussain (2017a)

Rehna Sultana’s “My Mother” reflects the pain of non-recognition, non-acceptance and loss. She writes:

I was dropped on your lap my mother  
Just as my father, grandfather, great-grandfather  
And yet you detest me, my mother,  
For who I am.  
Yes, I was dropped on your lap as  
a cursed *Miyah*, my mother.

What did I gain by falling in your lap?  
I have no identity, no language  
I have lost myself, lost every thing  
That could define me.

— Rehna Sultana in Shalim M Hussain (2017b)

While these poems start with a reflection of their past and present conditions of non-recognition and violence, they however take an assertive stand.

Chan Miya writes in a confident tone in his poem “I Don’t Have a Name Today”:

Yes, I have no name today  
But don’t dangle before my eyes the name you have given me  
Don’t call me a Bangladeshi  
I don’t need your barbs  
Don’t condescend with “*Neo-Assamese*”  
Give me nothing  
But what I own.  
I will find a name someday  
And you won’t fish it out for me.

— Chan Miyah in Shalim M Hussain (2017a)

Rehna Sultana through the verses of her poem calls for an inclusive space and asserts the Miya identity. She writes:

I need nothing my mother  
Just a spot at your feet.  
Tell these sons of the earth  
That we are all brothers.  
And yet I tell you again  
That I am just another child  
I am not a *Miya* cunt  
Not a Bangladeshi  
*Miyah* I am  
A *Miyah*.

— Rehna Sultana in Shalim M Hussain (2017b)

What separates “Miya poetry proper” from earlier poems is its more assertive stand. As Hafiz Ahmed points out, literary works on the rights and demands of the Miya community did not really emerge until the Assam movement. Up until then, the poems from the community were like “we are pleading, please give us our rights” (Ahmed in Sutanaya 2019).

In his poem “Don’t Insult Me as a Miyah,” Abdur Rahim removes the veil of shame associated with Miya identity and writes:

You may love me  
You may hate me  
Patronise me no more  
Pull me in your arms and pin a dagger on my back no more  
Don’t insult as *Miyah*  
Anymore

Look no more on my sun burnt back  
For barb wire scratches  
But please don’t forget 83, 94, 12, 14  
Please don’t call my burns  
The scratch marks of barb wires anymore

Don't insult me as *Miyah*  
 Anymore  
 I am ashamed to introduce myself  
 As *Miyah* no more.

— Abdur Rahim in Shalim M Hussain (2017a)

If words have the power to wound—injuring the dignity and self-regard of a person to whom it is addressed (Delgado 2018: 90), such offensive words can also be re-evaluated. The re-evaluation of terms such as “Black,” “Queer” suggests that speech can be returned to its speaker in a different form, that it can be cited against its originary purpose and perform a reversal of effects (Butler 1997: 14). One is not simply fixed by the name that one is called. In being called an injurious name one is derogated and demeaned. But the name holds out another possibility as well—by being called a name one is also, paradoxically, given a certain possibility for social existence (Butler 1997: 2). Thus, by means of reappropriation and re-evaluation, groups may make identities “imposed” on them into “resources” for that group. In many of the verses of these poems, there is a simultaneous affirmation of the Miya identity and a rejection of the prejudices associated with it, thus reappropriating a stigmatised identity in that process.

In recent times, Miya poetry has become a critical site of protest and resistance against the mass scale disenfranchisement of Bengal-origin Muslim communities in Assam, especially articulating social suffering that could not be expressed through op-eds, scientific articles or human rights reports. Reclaiming denigrated native dialects as well as claiming their right of expression in dominant languages (such as Assamese), Miya poetry centres the experience of those at the frontlines of struggles for the right to exist and belong (Dutta 2020: 2–3). Miya poetry has raised some uncomfortable questions by speaking truth to power, in turn generating suspicion towards it. The very fact that some Miya poems have been written in their own dialect rather than in standard Assamese language has generated criticisms and suspicions. In such a context what must be acknowledged here is that Miya is not only an identity but also a social location. Reducing this assertion as “just another manifestation of divisive identity politics” would be reductionist and ignorant of the marginal position of this group in our society. However, a critical look at Miya poetry is pertinent.

### The Limits of Reappropriation

Miya poetry came to limelight at a very critical juncture in Axamiya society. Over the years, there has been a gradual consolidation and hardening of religious identities in Assam that has now come to characterise its society and politics, resulting in the consolidation of the forces of Hindutva (Thomas 2019). In Assam, the Hindutva ideology finds its “other” in the Bengal-origin Muslims by aligning its anti-Muslim and anti-immigrant discourses. In recent times, the community has been systematically represented as the “cultural other” from which the “greater Axamiya identity” and culture must be protected and must be kept separated, negating the socio-historical processes of accommodation and assimilation of Bengal-origin Muslims.

The controversial National Register of Citizens (NRC) project, which seeks to identify genuine Indian citizens, too, has attracted much attention from various circles. The whole project was widely condemned as it was increasingly blurring the line between a genuine citizen and an undocumented immigrant (Pisharoty 2019a: 328). It was widely assumed that the entire process was targeted against a particular community, that is, the Bengal-origin Muslims.

At such a juncture, the assertion of Miya identity created strong reactions in the greater Axamiya society (Dutta 2021: 304). From its inherent objectives, the language used in these poems and its alleged underlying politics, Miya poetry was put under much critical gaze. Many expressed concerns over the politics that Miya poetry entails. While acknowledging the problems faced by Bengal-origin Muslims, one scholar has cautioned that poetic expressions emerging out of oppression and neglect, if fallen in the trap of communal politics, will not be good either for Bengal-origin Muslims or for Axamiya society (Borah 2019) (my translation). According to Hiren Gohain, such identity assertions (of Miya identity) is tactically promoted as separatism by Hindutva forces. This enables them to preach to the Axamiya people that they have “overlooked the greater Muslim danger and that only the Hindu shield can save them” (Gohain 2019a). This alienation between communities enables subjugation of the (Bengal-origin) Muslims by a greater Hindu bloc (Gohain 2019a).

These questions assume significant relevance as Miya identity has become a major political issue in recent times. In the run-up to the 15th legislative assembly election in 2021 in Assam, the issue of Miya identity became pivotal. Hindutva rhetoric stressed the need to save Assam from Miya poetry (Sharma in Saha 2020). The Miya culture was portrayed as a threat to the Indian culture and more particularly Axamiya culture. In fact, this “aggressive” identity assertion was viewed as an attempt to counter Axamiya culture and distort Axamiya language (Sharma in Express News Service 2020). These developments led to sharp polarisation in the state before the elections. There can be no doubt that Hindutva forces managed to reap significant political mileage from the issue of Miya identity and Miya poetry.

While Miya poetry highlighted the chauvinistic overtones within Axamiya society, its representation of the latter in general has also created a lot of controversy. Mahanta (2021: 270) has argued that Miya poetry has been used to show Axamiya people in a negative light and that it represents the “politics of victimhood” in the garb of a narrow sectarian communal agenda. According to Nath (2021: 163), these poems were written in Miya language and were mainly against the Axamiya people. It has also been accused of promoting communal sensationalism (Deka in Handique 2019). The question of Axamiya community being portrayed in a negative light is an important one. Has Miya poetry failed to acknowledge the slow but gradual changes in social relations between the Axamiya and the Miya community? Has there been an essentialisation of this relationship?

The relation between these two communities has not been smooth. It has seen both violence and relative peace. But over the time there has also developed a dynamic of interdependence

(Dutta in Das 2013: 13) between the two communities that is based on everyday interactions in community spaces like village *haats* (weekly markets in villages), in labour market, in the agricultural field, in the cultural spaces, etc. Among the younger generation within the Axamiya community there is more awareness now, than ever before, about the plight of the Bengal-origin Muslims. Miya poetry, for instance, has been welcomed by many from within the Axamiya community itself. At the larger political level also, there are instances of solidarity where a section of mainstream Axamiya society stood solidly with the Miya community. The eviction drives carried out by the government to clear government lands (with Bengal-origin Muslims often being at the receiving end) have been opposed by many mainstream Axamiya organisations and civil society groups, intellectuals, etc.

However, such voices of solidarity are few and far between. These instances are not to undermine the existence of conflict. In fact, such conflict may violently supersede the existing normalcy bringing the fault lines out in the open starkly. But these fragmentary instances and “micro traditions of peace” continue to exist side by side by engaging with the culture of conflict (Das 2013: 14). In this context, Miya poetry may have failed to highlight the “dynamism” of the social relation between the Axamiya society and Bengal-origin Muslims.

How far is Miya poetry representative of the entire Miya community? There have been disagreements over Miya poetry within the Miya community itself. Whether its stand on the identity issues of this community is shared by all the members is a matter of debate. Gohain (2019a) has termed Miya poetry as an arbitrary mission enforced on the vast majority of their counterparts in other regions of Assam. These poems have also essentialised the *Char–Chapori* settlements as only Miya settlements. However, the history of permanent settlement in riverine areas of the tributaries of Brahmaputra suggests that there are other river peoples—*Mishings*, *Kaibartas* and others—who share the same precarity, if perhaps not the intensity, of social othering (Gogoi 2019).

While Miya poetry certainly highlights the aspirations of younger and more educated sections of this community, the sociopolitical reach of this enlightened Miya consciousness remains to be seen.

## Conclusions

The identity questions of this community have remained a focal point of contestation both within and outside the

community. Such contestation broadly concerns the groups’ definition of its identity, its own status within the larger Axamiya identity, the questions of citizenship and issues of (non)recognition, etc. The contemporary political narrative of Hindutva, which ignores the historical and social processes of assimilation, accommodation and the ongoing social interactions further alienates the community from the mainstream Assamese society.

In such a context, Miya poetry must be seen as a vehicle of expression of a “fragment” (Pandey 1991: 559) of Indian society giving us a perspective from below. It is more than mere reappropriation of a stigmatised identity, as it also seeks to end the long prevailing contestation over Miya identity. These two aspects find best expression in Chan Miya’s poem “I don’t know my name today.”

As a form of protest poetry or resistance poetry, it expresses the angst of a community with a history of migration, a struggle for economic and cultural survival and a determined battle to belong to the land they have adopted as their own. They express the trauma of mass violence and social exclusion and a continued struggle for recognition (Badhwar 2019). Miya poetry, most importantly, is not a prayer; it is a demand, a claim for justice, rights, equality. Such an assertive stand of Miya poetry, however, has its own limitations in terms of the politics it generates, in terms of the social relations it represents and in terms of its own representativeness of the community.

Accordingly, the questions raised by critiques must be seen in the larger context of the sociopolitical changes taking place in Axamiya society. There have been concerns over Miya poetry’s underlying motive to seek a separate linguistic and cultural identity. Such concerns are further heightened by divisive campaigns like *Chalo Paltai* which is a call to Bengal-origin Muslim-speakers who identified Assamese as their mother tongue in the previous censuses to stop doing so in the upcoming census (Saikia 2019). The fallout of NRC, which has left out a large section of Bengal-origin Muslim people from the final register, further adds new sociopolitical complexities. No doubt that such developments will put pressure on the existing social relation between the two communities.

In such an emerging context, the questions raised by Miya poetry and the resultant debates must be answered only through a dialogical process by taking a holistic view. Such democratic dialogues at the societal and political level will decide the direction our society takes in the coming times.

## NOTES

- 1 I have used the term “Miya” to denote “Bengal-origin Muslims.” These two terms have been used interchangeably.
- 2 The riverine areas (island) of the river Brahmaputra, locally known as “Char–Chapori.” They are subjected to erosion on their upstream and deposition on the downstream, due to which they migrate downstream. This affects the geometry and location of the chars during floods almost every year. These remote areas have not seen the fruits of development in any significant manner, because of limited accessibility and consequent administrative and other constraints.

- 3 I have used the term “Axamiya,” as has been used by Uddipana Goswami (2014) over other terms like Asamiya, Asomiya. The term Asamiya has been used by Manirul Hussain (1993: 21). Ismail Hossain has used the term Asomiya (2018). Commonly the term Axamiya and Assamese are used interchangeably though scholars have differentiated between the two.
- 4 To become “Asamiyaised” or Asamiyaisation denote an analytical category used by Amalendu Guha to conceptualise the different stages of assimilation experienced by migrants in Assam especially in Brahmaputra Valley. It takes place when migrants make a conscious attempt to adopt

the Assamese language as mother tongue and adopt the Axamiya culture as such (Dasgupta 2000).

- 5 Uddipana Goswami has used this designative term (Goswami 2010).

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# The Politics of Dignity and Development

## The Tamil Nadu Story

JOHN HARRISS

*Tamil Nadu has done relatively well, for sure, but whether the state presents a “model” is doubtful. In the wider context of the politics of development, the argument that Tamil Nadu shows that an approach, based in a politics of dignity and focused on status inequality can deliver, by institutionalising “an inclusive populist mobilisation leading to a comparatively egalitarian developmental trajectory” is not proven.*

It has been recognised for several years now—thanks, in part, to earlier work by the authors of this important though problematic book—that the southern Indian state of Tamil Nadu (TN) has experienced a distinctive trajectory of development, and been more successful than had previously been widely acknowledged. The neighbouring state of Kerala has rightly been lauded for its success in regard to human development, while much has been made of the success of Gujarat in achieving high rates of economic growth—though the “Gujarat model” associated with the chief ministership in the state of Narendra Modi has also been subject to robust criticism (Ghatak and Roy 2014). Only relatively recently has it been recognised that TN has succeeded in combining a performance in regard to aspects of human development—particularly healthcare and the provision of welfare through the public distribution system—that compares quite well with that of Kerala, with a record of economic growth that compares with Gujarat. This is amply documented by Kalaiyaran A and M Vijayabaskar, and the central aim of their book is to establish how the welfare interventions of successive governments of TN, driven by a concern to address social status-based inequalities, “are linked to the emerging processes of accumulation and growth” (Kalaiyaran and Vijayabaskar 2021: 13). The originality of their analysis, by comparison with other accounts of the political economy of the state—though how convincing it is may be a matter for debate—lies in an argument about how the interaction of the domains of social welfare policies and of economic incentive structures has shaped the

development trajectory of the state. Their thesis is, “it is the distinctive way that power and social justice were conceptualised by populist Dravidian mobilisation in the state that may explain its developmental trajectory” (p 9). Others (including the present writer, in Harriss 2003) have emphasised the connection between the competitive populism of the two Dravidian political parties—the Dravida Munnetra Kazhagam (DMK) and All-India Anna Dravida Munnetra Kazhagam (AIADMK)—that have alternated in power in the state since 1967, with their shared history in the Self-respect Movement of the 1930s, and the state’s relative success in regard to human development. The two authors set out to show that the left populism of the Dravidian movement has also driven successful and, they argue, relatively inclusive economic growth.

So, what is “the Dravidian Model”? It is an approach to development driven by a quest for social justice, to be achieved by overcoming social status inequality, in this case the inequalities based on the caste hierarchy. The approach has emphasised the importance of affirmative action for those who have historically been subordinated by the upper castes, so as to improve their access to education and to “modern” jobs in administration and the public sphere more generally. It has emphasised, as well—and it is here that Kalaiyaran and Vijayabaskar challenge earlier accounts of the TN story (as, for example, by Harriss and Wyatt 2019)—the achievement of inclusive economic growth, so as to generate many more of the kinds of jobs, which release those who have been shackled by caste-based inequality in rural society. The Dravidian Model has entailed support for education and the health and welfare of those who have been subjected to status subordination, a “productivist ethos,” and support for capital accumulation, so as to realise the structural transformation of the economy. Concern about land reform has not been seen as being of central importance assigned to it by the left movement, because the aim has been, effectively, to get Tamilians from the subordinated castes out of the villages and into “modern” jobs (bypassing the agrarian question, therefore, see Bernstein 1996). Strong support has been given, however, to the development of small and medium non-agricultural

enterprises owned by the members of the lower castes, and so to the “democratisation” of capital ownership.

The idea of a Dravidian “model” suggests that it has involved deliberate thought, and the two authors find the inspiration for it, as they explain in Chapter 2, especially in writings and actions of “Periyar”—E V Ramasamy Naicker—the driving force behind the Self-respect Movement of the Madras Presidency in the later 1920s and 1930s, that gave rise eventually, after the breakaway of C N Annadurai and others, to the political party DMK. Another breakaway, in 1971, saw the establishment of the rival AIADMK. Between them, these two parties have governed TN since 1967. Kalaiyaran and Vijayabaskar refer to the activities of Periyar and the Self-respect Movement as constituting the “Dravidian movement,” or “Dravidian mobilisation” (p 26), reflecting the fact that they established the construction of a popular identity, of the “Dravidian” or “Tamil people,” and through this brought together disparate subordinate groups into a political bloc. They say explicitly that “The Dravidian–Tamil identity worked to build solidarities by muting internal caste divisions among the intermediate and lower castes” (p 42), and they dismiss (in two paragraphs on p 49) the arguments of a number of other writers who have suggested that the movement depended largely on the elite segments of the backward castes, while marginalising Dalits. The mobilisation constituted in turn what the two authors refer to as “Dravidian common-sense” that comprised of securing justice through *caste-based reservation, faith in a productivist ethos, need for greater state autonomy and forging an inclusive modernity*” (p 27; emphasis in the original). They argue, as well—with reference to some of the work of Laclau and Mouffe—that the Dravidian movement provides an instance of “Left populism” and they claim, finally, that “the state’s political experience suggests that it is indeed possible to institutionalise an inclusive populist mobilisation leading to a comparatively egalitarian developmental trajectory in the Global South” (p 210).

To an important extent the idea of “the Dravidian Model” draws on *ex post* analysis of the pattern of development in TN to show that it has been relatively inclusive. In this an absolutely critical point is that “increase in per capita incomes has been accompanied by structural transformation of a degree that is higher than any other major state in the country” (p 15)—justified by the facts that the state has the second lowest share of the population dependent on agriculture, and that agriculture contributes only about 8% to state income. At the same time, the state has the largest share of registered factories in the country, and the highest share of employment in manufacturing (almost 20%). A critical claim is that, by comparison

with other states—and notably Gujarat and Maharashtra, which are the other leading states in terms of industrialisation—industrialisation has been labour-intensive and socially and spatially inclusive, so drawing “a greater share of population out of agriculture” (p 17). Indeed, TN not only has one of the highest share of urban population but also a notably diversified rural economy (pp 151–59). A critical question, however, is, how far this trajectory of economic development is the outcome of policies that have been pursued by successive governments of the state and inspired by the “productivist ethos” of the Dravidian movement? The question arises in part because there is little question that the high levels of industrialisation in TN, as in Gujarat and Maharashtra, reflect historical path dependency (as Bharadwaj pointed out, years ago, in an article on regional differentiation in India, 1982).

The arguments of Chapter 5 of the book, “Broadening Growth and Democratising Capital,” which refer to this question, are not entirely convincing. The important suggestion that the Dravidian model draws on the commitment in the Dravidian movement to a “productivist ethos” is supported only by fragmentary evidence, such as the reference to the role of a member of the Justice Party (seen as the precursor to the Dravidian movement) in setting up a technical training institute. The argument that TN has seen a relatively high degree of entry of lower castes to business, certainly in comparison to Maharashtra and Gujarat, draws on dubious logic. It is unsurprising that the state should have relatively more entrepreneurs from among Other Backward Classes (OBCs) and Scheduled Castes (SCs) given that a much higher share of its total population is from these groups (partly as a result of the pressures from within the Dravidian movement for extending reservations). There is a further question about the definition of “elite castes” (in Table 5.4). If, as seems likely, the Marathas in Maharashtra and the Patels in Gujarat are included among the “elite castes,” then one might wonder whether a group like the Kongu Vellala Gounders in TN, who in many ways compare with the Marathas and Patels, and who certainly make up a significant share of those described as “non-traditional business families,” should not be included among TN’s “elite castes.” The argument that “capital accumulation in the state has been made possible by a large number of small and medium enterprises owned significantly by backward castes” (p 123) is not wrong, not least because such a high proportion of the population (around 75%) is classified as “backward,” but it overstates the case given the continuing dominance of the Forward Castes—Brahmins, Chettiars and the likes of the Kammavar Naidus of Coimbatore—in big business, which Kalaiyaran and Vijayabaskar finally concede (p 139). There remains a very significant concentration of capital. The ideas that the Dravidian movement was characterised by a “productivist ethos” and

that it has been uniquely successful in “democratising capital” are intriguing but not very well supported. Neither are the arguments of Chapter 5, *contra* those of Padmini Swaminathan (1994) and Aseema Sinha (2005), concerning the effectiveness of the industrial policies pursued by governments of the Dravidian parties, certainly up to the 1990s, entirely convincing. The DMK government set up a number of organisations to support industrial development but very little evidence is offered to show that they were particularly effective.

My most important reservations, however, about the arguments of the book, in common with those of others,<sup>1</sup> concern the questions of how far the Dravidian movement really did embrace the Dalits who make up a large share (now about 20%) of the population of TN, and of why the state should be plagued by particularly significant problems of casteism, in politics and society. There is a further important question—not unrelated to the first two—as to whether the failure to address the problems of agrarian reform has not been counterproductive in regard to the objectives of social justice espoused by the movement.

On the Dalit question first, it is important to note that, as Rupa Viswanath has pointed out, “in the 19th century the term ... ‘Tamilian’ referred exclusively to caste Tamils. One could be a Tamil or a Pariah [Dalit] but not both” (2014: 31). How far the Dravidian movement included Dalits is a matter for debate. There is no doubt, as Kalaiyaran and Vijayabaskar argue with reference to work by Manoharan (2020) and others, that Periyar himself was a consistent critic of untouchability. Scholars still maintain, however, that he tended to identify the “Dravidian” with the Shudra jatis; and Marguerite Barnett’s (1976: 51–52) claims that in the early years the movement was supported largely by forward caste Hindus and only in the 1940s began to incorporate backward castes, have not been challenged with counter evidence by the two authors of *The Dravidian Model: Interpreting the Political Economy of Tamil Nadu*. Later, say Geetha and Rajadurai (2002: 121), authors of a respected study of the Dravidian movement, “social reform” came to mean “the uplift of the backward classes,” and “the movement’s early emphasis on untouchability, the destruction of caste and on women’s emancipation (entirely ignored, incidentally, by Kalaiyaran and Vijayabaskar) was abandoned gradually and even cast out of the collective memory.” Nathaniel Roberts (2010) has written, “from the 1960s onwards, the Dravidian parties unabashedly courted the powerful and populous (OBCs), who were at once Dalits’ most immediate oppressors and the foundation of the Dravidian parties’ social and political dominance over rural TN.” Kalaiyaran and Vijayabaskar have nothing to say on these arguments until their final chapter when they do at last concede that the “Dravidian bloc” has not been sustained, that “Sections of backward castes resent the relative mobility among

sections of Dalits [leading sometimes to violence against Dalits]” (p 216), and that “voices from specific intermediate and Dalit castes began to articulate a politics outside the fold of the Dravidian” (p 118). They seem reluctant to follow their mentor, the late M S S Pandian, who spoke even in the 1990s of the “ideological retrogression” of the Dravidian parties, of how the non-Brahmin identity developed “irreparable fissures,” given the increasing differentiation among the non-Brahmin caste clusters, and of the failure of the DMK in particular to carry out any sort of an offensive against casteism (Pandian 1994, 2013a, 2013b). The inclusivity of the Dravidian movement was always shaky, and it has emphatically given way to the pervasive casteism of present-day TN—reflected in the emergence of numbers of caste-specific political parties (Harriss 2016).

There is surely a connection between these undoubted failings of the Dravidian movement and the neglect of land reform. As is very well known, though caste and economic class—in rural society defined mainly by differences in landownership—are not to be equated with one another, there is an intimate connection between them. The upper castes in the villages (though many of them—like the Kongu Vellala Gounders—may now be classified officially as “backward”) are the dominant landholders, landlords or rich peasants. Had Periyar and other leaders of the Dravidian movement paid more attention to the political economic basis of caste, then they might have recognised the need for land reform in regard to their objective of realising social justice. Land reform would have helped to change the conditions of life and work of Dalits and lower castes such as the Vanniyars of northern TN (who so often have come into conflict: for example, Anandhi and Vijayabaskar 2013). Had such groups been able to benefit from land reform, then the chances would have been quite high that they would have been able to gain more from education and from the possibilities of accessing decent jobs outside agriculture. As it is, as Kalaiyaran and Vijayabaskar finally concede (pp 214–15), access to such jobs is still influenced by caste, and the rural class differentiation with which it is bound up (Harriss–White 2003; Mosse 2020). It is hard to avoid the conclusion that the lack of interest in land reform from within the Dravidian movement may well have had to do with the fact that a good many of the leaders and funders came from landed and merchant backgrounds. The two authors make a lot of the weakening of rural hierarchies that has undoubtedly taken place and of the dislodging of caste elites in response to mobilisations from below stimulated by the Dravidian parties (land reform, as it were, “by stealth”). But class-caste differentiation and the subordination of Dalits, in particular, persists, and there certainly are villages in which land concentration remains high, sometimes involving the old landholding elites.

I hope not to be misunderstood. In many ways *The Dravidian Model: Interpreting the Political Economy of Tamil Nadu* is an exciting book, raising important questions about the politics of development. There is no doubt that TN has experienced an unusual and comparatively successful trajectory of development, with high rates of economic growth and a good record in regard to social welfare and human development. The state certainly compares very well indeed with most others in the union of India, and it comes as no surprise to find that, yet again, the quality of governance in the state is rated very highly by comparison with others, in the annual index computed by the Public Affairs Centre (the Public Affairs Index 2021, launched on 29 October 2021, found Kerala, TN, and Telangana to be the best governed states). How well TN stands up in comparison with other states internationally, such as some in South East Asia, is another question, as Judith Heyer pointed out in her critical discussion of the book (see note 1). There are also good reasons for thinking that the pursuit of a politics of dignity by the Dravidian movement, reflected in the extent of reservations of seats in educational institutions and of jobs in the public sector for members of the backward castes and scs, has had positive outcomes. Kalaiyaran and Vijayabaskar draw attention to the significance of this—though one might wish for more specific evidence—in accounting for the high quality of public healthcare in TN. The sheer numbers of medical personnel from disadvantaged backgrounds and their commitments to serving their peers, even in relatively remote rural public health centres, seem to be a significant part of the story of the healthcare system in TN. It is also greatly to the credit of Kalaiyaran and Vijayabaskar that they should be so forthright in concluding their book about the weaknesses (or “slippages” as they put it) in the achievement of the Dravidian model, including the recognition of the problems in the quality of education in the state, and of access to institutions in which high quality education is available; the problems now surrounding increasing corporatisation in the health sector; the limits of the structural transformation of the state economy and the continuing dependence of very many people on poorly paid work (even if it may be somewhat less poorly paid than in other states); corruption in general and the prevalence of rent-seeking from natural resource extraction (as in the case of sand mining, dealt with in some detail); and the problems surrounding casteism to which I drew attention earlier.

The relative success of TN is not in doubt, though the qualifications that the two authors enter in their final chapter suggest that their initial presentation is somewhat overdrawn. The questions that I have raised, have to do with the coherence and credibility of the idea of the Dravidian Model that the book advances. It seems entirely possible that the political bloc that was built up by the Dravidian movement was much less inclusive than Kalaiyaran

and Vijayabaskar claim, and that Dalits in particular had little part in it. The particular problems of casteism—which extend beyond the persisting disabilities of Dalits—that the state is now confronting have deep historical roots. The two authors’ arguments about the “productivist ethos” of the movement, about the democratisation of capital and the inclusive character of the state’s trajectory of economic development are much less convincing than they need to be. Their claim to show how the interaction of the domains of welfare policy and of economic incentives explains the state’s development trajectory is, in the end, not well-sustained—beyond Vijayabaskar’s (2011) earlier argument about the way in which the welfare interventions of the state, by supporting the costs of reproduction of labour, aid capital accumulation. Generally, the two authors attribute too much to the interventions of the state in accounting for successful economic growth. TN has done relatively well, for sure, but whether the state presents a “model” is doubtful. In the wider context of the politics of development, the argument that TN shows that an approach, based in a politics of dignity and focused on status inequality can deliver, by institutionalising “an inclusive populist mobilisation leading to a comparatively egalitarian developmental trajectory,” is not proven.

[The author takes the term “Politics of Dignity” in the title from the work by Poulomi Chakrabarti (2021), “The Politics of Dignity and Development: The Tamil Nadu Story.”]

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#### NOTE

- 1 See the critical comments made on the book by Judith Heyer in the course of an online seminar from King’s College London, 4 March 2021, accessible on YouTube. Also, the comments of N Ram on the occasion of a book launch in Chennai, reported in *Hindu*, 18 April 2021.

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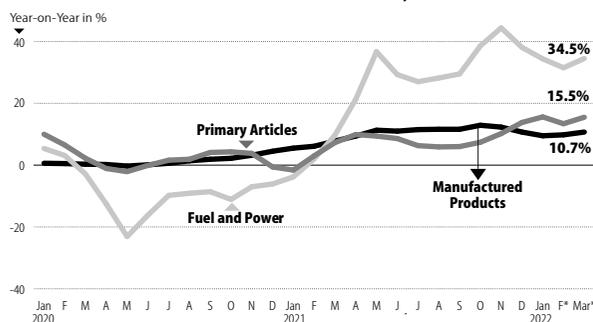
**Wholesale Price Index**

The year-on-year WPI-inflation rate surged to 14.5% in March 2022 from 7.9% registered a year ago and 13.1% a month ago. The index for primary articles increased by 15.5% against 7.3% reported a year and 13.4% a month ago. The rate of inflation for food articles rose to 8.1% from 3.4% recorded a year ago. The index for fuel and power increased substantially by 34.5% compared to 9.8% while that for manufactured products rose by 10.7% compared to 7.8% recorded a year ago. During financial year (FY) 2021–22, the WPI increased by 13.0% against 1.3% reported in FY 2020–21.

**Consumer Price Index**

The CPI-inflation rate rose to 7.0% in March 2022 from 5.5% registered a year ago and 6.1% a month ago. Consumer food price index increased by 7.7% compared to 4.9% a year ago and 5.9% a month ago. The CPI-rural inflation rate rose to 7.7% while urban-inflation rate decreased to 6.1% from 4.6% and 6.5%, respectively, a year ago. According to Labour Bureau data, the CPI for agricultural labourers (CPI-AL) increased to 5.6% in February 2022 from 2.7% a year ago and that for CPI for industrial workers (CPI-IW) to 5.0% from 4.5%.

**Movement of WPI-Inflation Rate January 2020–March 2022**



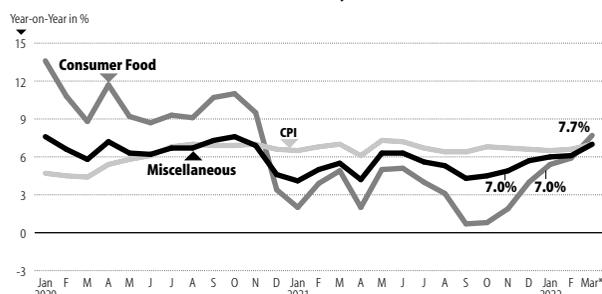
\*Data is provisional; Base: 2011–12=100.

**Trends in WPI and Its Components March 2022\* (%)**

	Weights	Over Month	Over Year	Financial Year (Averages)		
				2019–20	2020–21	2021–22
All commodities	100	2.7	14.5	1.7	1.3	13.0
Primary articles	22.6	2.1	15.5	6.8	1.7	10.2
Food articles	15.3	-0.8	8.1	8.4	3.2	4.1
Fuel and power	13.2	5.7	34.5	-1.8	-8.0	32.9
Manufactured products	64.2	2.3	10.7	0.3	2.8	11.0

\*Data is provisional; Base: 2011–12=100. Source: Ministry of Commerce and Industry.

**Movement of CPI Inflation January 2020–March 2022**



\*Data is provisional. Source: National Statistical Office (NSO), Ministry of Statistics and Programme Implementation, Base: 2012=100.

**CPI: Rural and Urban March 2022\* (%)**

	Latest Month Index	Over Month	Over Year	Financial Year (Avs)	
				2020–21	2021–22
CPI combined	167.7	0.96	6.95	6.16	5.51
Rural (2012=100)	168.7	1.20	7.66	5.94	5.43
Urban (2012=100)	166.5	0.60	6.12	6.45	5.58

**CPI: Occupation-wise#**

	Latest Month Index	Over Month	Over Year	Financial Year (Avs)	
				2019–20	2020–21
Industrial workers (2016=100)	125.0	-0.08	5.04	7.50	5.00
Agricultural labourers (1986–87=100)	1095.0	0.00	5.59	7.96	5.52

# Provisional; # February 2022; Source: NSO (rural and urban); Labour Bureau (IW and AL).

**Foreign Trade**

The foreign trade deficit widened to \$18.5 bn in March 2022 from \$13.6 bn recorded a year ago. Exports increased by 19.8% to \$42.2 bn and imports by 24.2% to \$60.7 bn compared to \$35.3 bn and \$48.9 bn, respectively. Oil imports stood at \$18.8 bn and non-oil imports at \$41.9 bn compared to their respective values of \$10.3 bn and \$38.6 bn. During FY 2021–22, cumulative exports rose by 43.8% to \$419.7 bn and imports by 55.1% to \$611.9 bn compared to \$291.8 bn and \$394.4 bn, respectively. The trade deficit in FY 2021–22 was up by 87.3% to \$192.2 bn compared to \$102.6 bn in FY 2020–21.

**Index of Eight Core Industries**

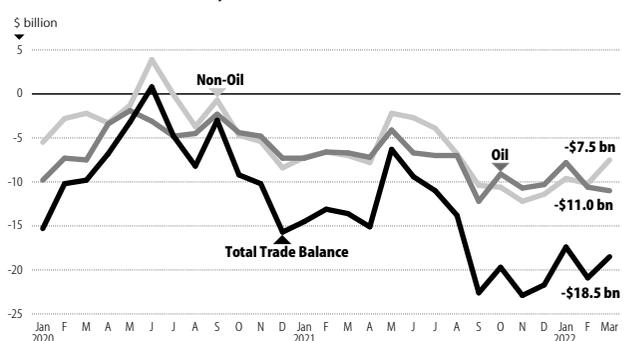
The index of eight core industries increased by 5.8% in February 2022 against -3.3% registered a year ago. Production of petroleum refinery products rose by 8.8%, coal by 6.6%, steel by 5.7%, cement by 5.0% against their respective growth rates of -10.9%, -4.4%, 2.2% and 0.2%. Electricity generation increased by 4.0% and production of natural gas by 12.5% compared to 0.2% and -1.0%, respectively. Crude oil segment registered a growth of -2.2% and fertilisers of -1.4% compared to their respective growth rates of -3.2% and -3.7% registered a year ago.

**Merchandise Trade March 2022**

	March 2022 (\$ bn)	Over Month (%)	Over Year (%)	April–March (2021–22 over 2020–21) (%)
Exports	42.2	22.1	19.7	43.8
Imports	60.7	9.5	24.2	55.1
Trade balance	-18.5	-11.3	35.8	87.3

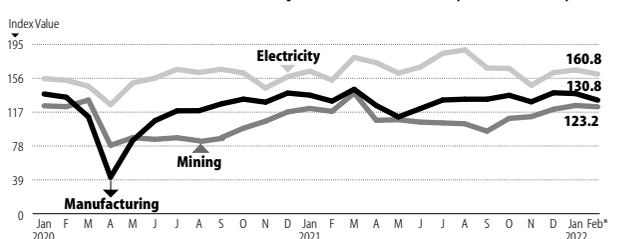
Data is provisional. Source: Ministry of Commerce and Industry.

**Trade Balance January 2020–March 2022**



Oil refers to crude petroleum and petroleum products, while non-oil refers to all other commodities.

**Movement of Index Values of Components of IIP January 2020–February 2022**



\* February 2022 are quick estimates; Base: 2011–12=100.

**Index for Eight Core Industries February 2022\* (%)**

	Weights	Over Month	Over Year	Financial Year (Avs)	
				2019–20	2020–21
Infrastructure industries	40.27@	-5.3	5.8	0.4	-6.4
Coal	10.3	-0.2	6.6	-0.4	-1.9
Crude oil	9.0	-9.5	-2.2	-5.9	-5.2
Natural gas	6.9	-9.1	12.5	-5.6	-8.2
Petroleum refinery products	28.0	-8.0	8.8	0.2	-11.2
Fertilisers	2.6	-11.1	-1.4	2.7	1.7
Steel	17.9	-5.2	5.7	3.4	-8.7
Cement	5.4	-4.4	5.0	-0.9	-10.8
Electricity	19.9	-3.3	4.0	0.9	-0.5

(Base: 2011–12=100); \*Data is provisional; @The revised eight core industries have a combined weight of 40.27% in the IIP. Source: Ministry of Commerce and Industry.

Comprehensive current economic statistics with regular weekly updates are available at: <http://www.epwrf.in/currentstat.aspx>.

## ■ India's Quarterly Estimates of Final Expenditures on GDP

₹ Crore   At 2011-12 Prices	2019-20				2020-21				2021-22		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Private final consumption expenditure	2009312 (6.7)	2004859 (5.7)	2157091 (5.6)	2104358 (2.0)	1532170 (-23.7)	1839177 (-8.3)	2169131 (0.6)	2160413 (2.7)	1749028 (14.2)	2027649 (10.2)	2321609 (7.0)
Government final consumption expenditure	377951 (-2.0)	418372 (5.5)	345786 (4.8)	355412 (12.1)	429241 (13.6)	322530 (-22.9)	344609 (-0.3)	455997 (28.3)	410314 (-4.4)	352448 (9.3)	356405 (3.4)
Gross fixed capital formation	1197344 (10.0)	1093791 (0.9)	1135023 (-0.1)	1207218 (2.5)	654479 (-45.3)	1044735 (-4.5)	1128117 (-0.6)	1338227 (10.9)	1063775 (62.5)	1197610 (14.6)	1150761 (2.0)
Change in stocks	27081 (-57.5)	26951 (-59.0)	26083 (-59.0)	41217 (-40.8)	-1995 (-107.4)	-3048 (-111.3)	-3040 (-111.7)	46238 (12.2)	43694 (-2290.4)	47301 (-1652.0)	44766 (-1572.4)
Valueables	43887 (-5.5)	44242 (-12.3)	37119 (-16.4)	39279 (-22.1)	3790 (-91.4)	52356 (18.3)	50917 (37.2)	81381 (107.2)	23428 (518.2)	142829 (172.8)	78149 (53.5)
Net trade (Export-Import)	-174738 (2.4)	-132914	-100588	-95230	6189	-28433	-119730	-131715	-95968	-173232	-234730
Exports	703240	705236 (-2.0)	706562 (-5.5)	701307 (-8.8)	523643 (-25.5)	659753 (-6.4)	645694 (-8.6)	762743 (8.8)	735337 (40.4)	794785 (20.5)	780575 (20.9)
Less Imports	877979 (9.4)	838150 (-1.9)	807150 (-7.0)	796537 (-2.7)	517454 (-41.1)	688186 (-17.9)	765424 (-5.2)	894458 (12.3)	831305 (60.7)	968017 (40.7)	1015305 (32.6)
Discrepancies	68121 (107.6)	90923 (94.6)	-819 (-76.5)	181145 (94.4)	79724 (17.0)	83612 (-8.0)	56217 (-6963.7)	-54206 (-129.9)	58835 (-26.2)	-2955 (-103.5)	105199 (87.1)
Gross domestic product (GDP)	3548958 (4.9)	3546223 (4.2)	3599696 (3.1)	3833400 (3.0)	2703598 (-23.8)	3310930 (-6.6)	3626220 (0.7)	3896335 (1.6)	3253106 (20.3)	3591649 (8.5)	3822159 (5.4)

## ■ India's Overall Balance of Payments (Net): Quarterly

	2020-21 (\$ mn)			2021-22 (\$ mn)			2020-21 (₹ bn)			2021-22 (₹ bn)				
	Q1	Q2	Q3	Q1	Q2	Q3	Q1	Q2	Q3	Q1	Q2	Q3		
Current account	19058	15250	-2235	-8161	6370	-9913	-23024	1446 [3.7]	1134 [2.4]	-165 [-0.3]	-595 [-1.0]	470 [0.9]	-735 [-1.3]	-1725 [-2.7]
Merchandise	-10990	-14816	-34602	-41745	-30715	-44504	-60425	-834	-1102	-2552	-3043	-2266	-3297	-4528
Invisibles	30048	30066	32367	33583	37085	34591	37402	2280	2236	2387	2448	2736	2563	2802
Services	20758	21086	23237	23485	25810	25582	27811	1575	1568	1714	1712	1904	1895	2084
of which: Software services	20774	22021	23470	23475	25136	26781	28356	1576	1638	1731	1711	1854	1984	2125
Transfers	16974	18386	19258	18842	19013	18991	21312	1288	1368	1420	1373	1403	1407	1597
of which: Private	17217	18619	19494	19108	19222	19212	21447	1306	1385	1438	1393	1418	1423	1607
Income	-7685	-9405	-10128	-8743	-7738	-9981	-11721	-583	-700	-747	-637	-571	-740	-878
Capital account	1376	15943	34141	12261	25665	40439	23205	104 [0.3]	1186 [2.5]	2518 [4.6]	894 [1.6]	1893 [3.7]	2996 [5.3]	1739 [2.8]
of which: Foreign investment	114	31422	38597	9959	12236	13432	-721	9	2337	2847	726	903	995	-54
Overall balance	19846	31568	32483	3389	31870	31189	465	1506 [3.9]	2348 [5.0]	2396 [4.4]	247 [0.4]	2351 [4.6]	2311 [4.1]	35 [0.1]

Figures in square brackets are percentage to GDP.

## ■ Foreign Exchange Reserves

Excluding gold but including revaluation effects	8 April 2022	9 April 2021	31 March 2022	Over Month	Over Year	Financial Year So Far		Variation		Financial Year		
						2021-22	2022-23	2017-18	2018-19	2019-20	2020-21	2021-22
₹ crore	4222573	4042825	4237617	-167378	179748	107794	-15044	353270	68050	668976	590416	302585
\$ mn	556383	540947	559615	-16904	15436	2769	-3231	53217	-14168.4	56831.4	94535	21435

## ■ Monetary Aggregates

₹ Crore	Outstanding 2022	Over Month	Over Year	Financial Year So Far		Variation		Financial Year	
				2020-21	2021-22	2018-19	2019-20	2020-21	
Money supply (M <sub>2</sub> ) as on 25 March	20489469	306233 (1.5)	1640018 (8.7)	2049488 (12.2)	1644891 (8.7)	1469479 (10.5)	1367897 (8.9)	2044615 (12.2)	
Components									
Currency with public	3037491	57120 (1.9)	280785 (10.2)	406957 (17.3)	285662 (10.4)	292497 (16.6)	297539 (14.5)	402080 (17.1)	
Demand deposits	2212994	109940 (5.2)	217874 (10.9)	257428 (14.8)	217874 (10.9)	142801 (9.6)	111179 (6.8)	257428 (14.8)	
Time deposits	15186605	141547 (0.9)	1136326 (8.1)	1376263 (10.9)	1136326 (8.1)	1026348 (9.6)	952412 (8.1)	1376263 (10.9)	
Other deposits with RBI	52379	-2373 (-4.3)	5032 (10.6)	8840 (23.0)	5028 (10.6)	7835 (32.8)	6765 (21.3)	8844 (23.0)	
Sources									
Net bank credit to government	6204211	-27937 (-0.4)	471460 (8.2)	772389 (15.6)	353837 (6.0)	387091 (9.7)	571872 (13.0)	890012 (17.9)	
Bank credit to commercial sector	12609366	275776 (2.2)	941085 (8.1)	629637 (5.7)	940900 (8.1)	1169004 (12.7)	655925 (6.3)	629822 (5.7)	
Net foreign exchange assets	4850355	-106924 (-2.2)	289456 (6.3)	759863 (20.0)	271509 (5.9)	148545 (5.1)	730196 (23.8)	777810 (20.5)	
Banking sector's net non-monetary liabilities	3202345	-165200 (-4.9)	62952 (2.0)	112966 (3.7)	-77676 (-2.4)	235395 (10.7)	590557 (24.2)	253594 (8.4)	
Reserve money as on 8 April	3958719	73877 (1.9)	450627 (12.8)	-91889 (-2.6)	38420 (1.0)	259224 (9.4)	570275 (18.8)	320318 (8.9)	
Components									
Currency in circulation	3176117	60286 (1.9)	291559 (10.1)	30795 (1.1)	40468 (1.3)	310541 (14.5)	406451 (16.6)	281886 (9.9)	
Bankers' deposits with RBI	724802	7471 (1.0)	147559 (25.6)	-121625 (-17.4)	-7468 (-1.0)	-58081 (-9.6)	154980 (28.5)	33402 (4.8)	
Other deposits with RBI	57800	6120 (11.8)	11508 (24.9)	-1059 (-2.2)	5421 (10.3)	6765 (21.3)	8844 (23.0)	5028 (10.6)	
Sources									
Net RBI credit to Government	1461763	167278 (12.9)	215720 (17.3)	146357 (13.3)	284584 (24.2)	190240 (23.7)	107495 (10.8)	77493 (7.0)	
of which: Centre	1457622	169304 (13.1)	213891 (17.2)	147385 (13.4)	281071 (23.9)	189267 (23.6)	106606 (10.8)	80205 (7.3)	
RBI credit to banks & commercial sector	-690776	-35182 (5.4)	-82811 (13.6)	-238607 (64.6)	-201344 (41.1)	-353744 (-231.4)	-168465 (0.0)	-120074 (0.0)	
Net foreign exchange assets of RBI	4428679	-177308 (-3.8)	109741 (2.5)	119539 (2.8)	-122820 (-2.7)	741814 (26.0)	608997 (17.0)	352100 (8.4)	
Govt's currency liabilities to the public	28013	131 (0.5)	1100 (3.6)	0 (0.0)	0 (0.0)	461 (1.8)	565 (2.1)	1100 (4.1)	
Net non-monetary liabilities of RBI	1268960	-118958 (-8.6)	-206877 (-14.0)	119177 (8.8)	-78000 (-5.8)	319547 (30.2)	-21682 (-1.6)	-9700 (-0.7)	

## ■ Scheduled Commercial Banks' Indicators (₹ Crore)

(As on 25 March)	Outstanding 2022	Over Month	Over Year	Financial Year So Far		Variation		Financial Year	
				2019-20	2020-21	2017-18	2018-19	2019-20	2020-21
Aggregate deposits	16465316	247886 (1.5)	1351803 (8.9)	1546020 (11.4)	1351803 (8.9)	1147722 (10.0)	993721 (7.9)	1546020 (11.4)	
Demand	2072749	108775 (5.5)	211557 (11.4)	244189 (15.1)	211557 (11.4)	141004 (10.3)	105716 (7.0)	244189 (15.1)	
Time	14392567	139111 (1.0)	1140247 (8.6)	1301831 (10.9)	1140247 (8.6)	1006717 (10.0)	888005 (8.0)	1301831 (10.9)	
Cash in hand	85926	-2408 (-2.7)	-4822 (-5.3)	3487 (4.0)	-4822 (-5.3)	14811 (24.7)	12385 (16.5)	3487 (4.0)	
Balance with RBI	683437	18964 (2.9)	140744 (25.9)	6507 (1.2)	140744 (25.9)	40021 (7.6)	-29521 (-5.2)	6507 (1.2)	
Investments	4728948	58575 (1.3)	266422 (6.0)	715177 (19.1)	266422 (6.0)	62603 (1.9)	366292 (10.8)	715177 (19.1)	
of which: Government securities	4728179	59012 (1.3)	266547 (6.0)	722935 (19.3)	266547 (6.0)	61595 (1.9)	359695 (10.6)	722935 (19.3)	
Bank credit	11890638	263630 (2.3)	1043351 (9.6)	578648 (5.6)	1043351 (9.6)	1146298 (13.3)	496916 (5.1)	578648 (5.6)	
of which: Non-food credit	11835628	276845 (2.4)	1049595 (9.7)	569158 (5.6)	1049595 (9.7)	1146676 (13.4)	486763 (5.0)	569158 (5.6)	

## ■ Capital Markets

	13 April 2022	Month Ago	Year Ago	Financial Year So Far		2020-21		End of Financial Year		
				Trough	Peak	Trough	Peak	2018-19	2019-20	2020-21
S&P BSE SENSEX (Base: 1978-79=100)	58339 (20.2)	55550	48544 (58.2)	58339	60612	47706	61766	39714 (12.4)	29816 (-21.8)	49009 (63.7)
S&P BSE-100 (Base: 1983-84=100)	17951 (22.2)	16892	14686 (61.2)	17950	18327	14482	18800	12044 (9.1)	8693 (-25.2)	14689 (68.2)
S&P BSE-200 (1989-90=100)	7648 (22.9)	7195	6221 (63.9)	7636	7790	6136	8025	4987 (7.1)	3614 (-25.1)	6211 (71.1)
CNX Nifty-50 (Base: 3 Nov 1995=1000)	17476 (20.5)	16630	14505 (61.3)	17476	18053	14296	18477	11923 (11.1)	8660 (-24.3)	14507 (67.9)
CNX Nifty-500	15139 (24.2)	14237	12187 (65.6)	15087	15391	12024	15886	9805 (5.3)	7003 (-26.3)	12149 (73.7)

Figures in brackets are percentage variations over the specified or over the comparable period of the previous year. | (-) = not relevant | - = not available | NS = new series | PE = provisional estimates

■ Comprehensive current economic statistics with regular weekly updates are available at: <http://www.epwrf.in/currentstat.aspx>.

## Secondary Market Transactions in Government Securities and the Forex Market—Weeks Ending 1, 8 and 15 April 2022

### 1 Settlement Volume of Government Securities (G-Sec) Transactions (Face Value in ₹ Crore)

Week Ended	15 April 2022		8 April 2022		1 April 2022		16 April 2021		2022-23*		2021-22**	
	Number of Trades	Volume										
Outright	9868	156503	9684	166265	9081	138725	6518	133833	18535	322768	21027	367402
Repo	2115	369027	3425	607068	2637	456559	1817	324709	5540	976096	4899	903129
TREP	3875	1129197	6209	1823864	5054	1406891	3683	1020127	10084	2953061	10006	2592607
Total	15858	1654727	19318	2597197	16772	2002175	12018	1478668	34159	4251924	35932	3863138
Daily Avg Outright	3289	52168	1937	33253	2270	34681	2173	44611	2317	40346	2628	45925
Daily Avg Repo	705	123009	685	121414	659	114140	606	108236	693	122012	544	100348
Daily Avg TREP	1292	376399	1242	364773	1264	351723	1228	340042	1261	369133	1112	288067

### 2 Instrument-wise Outright and Repo Details (Amount in ₹ Crore)

	Outright	Repo	Outright	Repo	Outright	Repo	Outright	Repo
Central Government	101101	260043	99501	397658	81721	318790	86842	226819
State Government	33172	48893	17446	91192	16171	57981	13484	56697
Treasury Bills	22230	60092	49318	118218	40832	79788	33507	41193
Total	156503	369027	166265	607068	138725	456559	133833	324709

### 3 Top 5 Traded Central Govt Dated Securities (15 April 2022)

Security Description	Trades	Value (₹ Crore)	% Value to Total
6.54% GS 2032	3752	36251	35.86
6.10% GS 2031	1304	14456	14.30
6.67% GS 2035	1451	13168	13.02
5.74% GS 2026	702	9890	9.78
5.63% GS 2026	502	7069	6.99

### 4 Category-wise Buying/Selling Activity (Market Share %) (15 April 2022)

Category	Outright		Reverse Repo		TREP Lending	TREP Borrowing	NDS Call		IRS MIBOR		IRS-MIFOR	
	Buy Side	Sell Side	Buy Side	Sell Side			Buy Side	Sell Side	Buy Side	Sell Side	Buy Side	Sell Side
Cooperative Banks	2.65	1.82	0.03	1.14	0.45	0.30	78.72	1.99	-	-	-	-
Financial Institutions	0.02	0.00	0.03	0.00	2.08	3.54	-	-	-	-	-	-
Foreign Banks	15.29	16.71	24.89	22.59	0.82	3.89	1.59	4.08	34.77	38.70	84.21	77.19
Insurance Companies	4.04	2.06	2.90	0.00	13.87	0.01	-	-	-	-	-	-
Mutual Funds	10.87	6.63	54.99	0.00	76.79	0.05	-	-	0.00	0.00	0.00	0.00
Others	3.73	2.61	0.01	1.27	5.73	1.72	-	-	-	-	-	-
Primary Dealers	9.79	19.61	7.38	32.08	0.00	5.00	0.00	73.35	18.09	22.78	0.00	0.00
Private Sector Banks	20.81	22.82	8.02	19.77	0.20	25.32	5.50	18.65	43.51	33.86	15.79	19.30
Public Sector Banks	32.81	27.75	1.76	23.16	0.07	60.16	14.20	1.93	3.63	4.66	0.00	3.51

### 5 Trading Platform Analysis—Trading Value (Face Value in ₹ Crore) (15 April 2022)

Week Ended	OTC			NDS-OM			Brokered Deals			Total	
	Number of Trades	Volume	Market Share (%)	Number of Trades	Volume	Market Share (%)	Number of Trades	Volume	Market Share (%)	Number of Trades	Volume
Central Government	386	16705	16.90	8000	82138	83.10	40	2170	2.20	8386	98843
State Government	639	38070	95.51	156	1789	4.49	33	1448	3.63	795	39859
Treasury Bills	115	15862	70.92	184	6503	29.08	27	3490	15.61	299	22365
Total	1140	70636	43.86	8340	90430	56.14	100	7108	4.41	9480	161066

### 6 Settlement Volume of Forex Segment

Segment	15 April 2022		8 April 2022		1 April 2022		16 April 2021		2022-23*		2021-22**	
	Number of Deals	Volume (\$ mn)										
Cash	1096	17393	2240	39141	1922	29290	1308	18434	3336	56534	3122	44752
Tom	1612	25300	3428	49160	2356	28331	1824	27405	5040	74460	4540	66549
Spot	54302	58030	88672	101672	68964	88560	48795	51645	142975	159702	138485	145867
Forward	700	5175	1758	22979	13976	135101	710	6355	2458	28154	2766	33628
Total	57710	105898	96098	212951	87218	281281	52637	103839	153809	318849	148913	290796
Average	19237	35299	19220	42590	21805	70320	17546	34613	19226	39856	18614	36350

### 7 Tenor-wise Forward Trades

Tenor	15 April 2022			8 April 2022			1 April 2022			16 April 2021		
	Number of Deals	Value (\$ mn)	% to Total Value	Number of Deals	Value (\$ mn)	% to Total Value	Number of Deals	Value (\$ mn)	% to Total Value	Number of Deals	Value (\$ mn)	% to Total Value
< 30 Days	89	2114	40.86	295	7746	33.71	1134	27374	20.26	67	1604	25.23
> = 30 Days & < = 90 Days	135	1901	36.73	252	7755	33.75	2030	43391	32.12	142	3059	48.14
> 90 Days & < = 180 Days	39	206	3.98	175	4729	20.58	1260	23536	17.42	81	1221	19.21
> 180 Days & < = 365 Days	74	847	16.36	133	2522	10.98	2237	32983	24.41	55	435	6.84
> 1 year	13	107	2.07	24	227	0.99	327	7816	5.79	10	37	0.58
Total	350	5175	100	879	22979	100	6988	135101	100	355	6355	100.0

\* Data pertain to 1 April 2022–15 April 2022. \*\* Data pertain to 1 April 2021–16 April 2021.

(i) Tables 1 to 5 relate to Securities Segment, and (ii) Tables 6 and 7 relate to Forex Segment.

Source: Clearing Corporation of India Limited (CCL).

# Sameeksha Trust

## An Appeal

For more than half a century, the **Economic and Political Weekly (EPW)** has been a major presence in India's intellectual space. It has been a crucible for ideas and a forum for debate, which has created a journal of international repute that has become a virtual institution. EPW provides a multi-disciplinary platform for academics and practitioners, researchers and students, as well as concerned citizens, for critical engagement with economy, polity and society in contemporary India.

It has always been a struggle to ensure EPW's financial viability and sustainability. The resource constraint has been exacerbated by our conscious decision to abstain from receiving direct government grants and donations from abroad, to preserve the autonomy and independence of the journal.

With the Covid-19 pandemic and the consequent nationwide lockdown, EPW is now experiencing an unexpected and drastic drop in revenue from retail sales (as most of the newsstands are still closed) and advertisement income (as advertising has contracted sharply with the crisis in the economy), resulting in an acute financial crisis. This is not unique. Most of India's print media organizations are going through a similar predicament leading to closures, large-scale retrenchment of staff, and salary-cuts.

It was our endeavour not to resort to such drastic measures in EPW. In the first two months of the lockdown, full salaries were paid to all EPW staff. The Editor and his team adopted drastic austerity measures and cut expenditure to the bone. In spite of this, there was a large operational deficit every month, which could aggravate further if the problems associated with the lockdown persist. If this excess of expenditure over income had gone unchecked, a stage would have come when we would no longer be able to keep EPW alive.

The situation became so critical in the month of June 2020 that there was no other choice but to implement a temporary measure of reducing staff salaries from July 2020. The financial situation of EPW is being reviewed periodically and the salary cut is being reduced gradually. The situation, however, still continues to look grim.

In these difficult and troubled times, an institution of EPW's stature and credibility is needed more than ever before. Well-wishers of EPW have been reaching out and urging us to do whatever necessary to ensure EPW's sustainability.

We therefore appeal to the community of readers, contributors, subscribers and well-wishers of EPW to come forward and make donations to the extent each one can so as to ensure that EPW continues to perform its historic role. This is urgent. And it is of utmost importance. We hope you will join us in supporting EPW.

**Trustees, Sameeksha Trust and Editor, EPW**

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