

INDIAN ECONOMY AND SOCIETY: LATERAL EXPLORATIONS

12-14 December, 2018

PROGRAMME SCHEDULE & ABSTRACTS



CENTRE FOR DEVELOPMENT STUDIES
Thiruvananthapuram, Kerala, India

Programme Schedule

Session Timing	Session/ Panel Discussion Details
12th December, 2018	
9:00 – 10:30 am	Theme: Macroeconomic Performance Prof. R. Nagaraj “Ten year after the Global Financial Crisis: Has India Learnt its Lessons?” Prof. Arjun Jayadev “Debt, Inflation and Policy Targets” Chair: Prof. Sudip Chaudhuri
10:30 – 11:00 am	<i>Tea Break</i>
11:00 am – 12:30 pm	Theme: Labour, Employment and Social Security Dr. Radhicka Kapoor “Explaining the Contractualisation of India’s Workforce” Prof. Madheswaran S “Social Exclusion and Caste Discrimination in Public and Private Sector in India: A Decomposition Analysis” Chair: Dr. Vinoj Abraham
12:30 – 1:30 pm	<i>Lunch</i>
1:30 – 3:00 pm	Theme: Gender and Development Prof. Padmini Swaminathan “Reclaiming a Transformative Agenda for Gender and Development: Revisiting "Who Cooked Adam Smith's Dinner?"” Dr. V. Geetha “Planning for Utopia: A Reading of the Report titled, Women's Role in the Planned Economy, 1947” Chair: Prof. Praveena Kodoth
3:00 – 3:30 pm	<i>Tea Break</i>
3:30 – 5:00 pm	Panel Discussion: Formalizing the Indian Economy Panelists: Dr. C. Rammanohar Reddy, Mr. Sumit Dutt Majumder and Mr. Sasanka Sekhar Maiti Chair: Prof. K. P. Kannan
13th December, 2018	
9:00 – 10:30 am	Theme: Migration and Development Prof. R B Bhagat “Urban Transition, Migration and Public Policies in India” Dr. Nabeela Ahmed “Labour Migrant Access to Social Protection in the City” Chair: Dr. M. Parameswaran
10:30 – 11:00 am	<i>Tea Break</i>
11:00 am – 12:30 pm	Theme: Industry and Trade Prof. Saikat Sinha Roy “Reponses to Trade Reforms: Some Explorations on India’s Trade Performance” Prof. Surajit Mazumdar “Stunted Industrialization and the Current Crisis of Indian Industry” Chair: Dr. P. L. Beena
12:30 – 1:30 pm	<i>Lunch</i>
1:30 – 3:00 pm	Theme: Decentralization and Governance Dr. Swagato Sarkar “Governing Primitive Accumulation” Dr. S. M. Vijayanand “The Status of Panchayati Raj in India – A Critical Assessment” Chair: Prof. J. Devika

3:00 – 3:30 pm	<i>Tea Break</i>
3:30 – 4:30 pm	Theme: Innovation and Technology Prof. Rakesh Basant “Innovation Driven Startups in India - Emerging Patterns and Challenges” Chair: Prof. Sunil Mani
4:30 – 6:00 pm	Panel Discussion: Institutions and Development Panelists: Prof. Sudipto Mundle, Prof. Mritunjoy Mohanty and Prof. Dhanmanjiri Sathe Chair: Prof. R. Nagaraj
14th December, 2018	
9:30 – 10:30 am	Theme: Innovation and Technology Prof. Ambuj Sagar “Energy Technology Innovation in India” Chair: Prof. Sunil Mani
10:30 – 11:00 am	<i>Tea Break</i>
11:00 am – 12:30 pm	Theme: Human Development, Health and Education Dr. William Joe “Health Insurance Coverage in India: Insights for National Health Protection Scheme” Dr. Ajay K Verma “Learning Outcome in Public School at Elementary Level” Chair: Prof. Udaya S Mishra
12:30 – 1:30 pm	<i>Lunch</i>
1:30 – 3:00 pm	Theme: Plantation Crops Prof. P K Viswanathan “Institutional Redundancy and Inclusive Development: The case of India’s Plantations Sector with focus on Sustainable Development Goals” Dr. S Mohanakumar “Destruction of Petty Commodity Producers under Neo-Liberal Trade Regime in India: The Case of Natural Rubber Producing Farmers” Chair: Prof. K. J. Joseph
3:00 – 3:30 pm	<i>Tea Break</i>
3:30 – 5:00 pm	Theme: Work, Workplace and the Labouring Poor Dr. Ishita Mehrotra “Political Economy of Rural Labour: A Review” Dr. Sumeet Mhaskar “Mapping the Urban Industrial Labour in India” Chair: Dr. Jayaseelan Raj

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Panelists

- **Dr. Rammanohar Reddy**, Former Editor, EPW, Mumbai
- **Mr. Sumit Dutt Majumder**, Chairman, Central Board of Excise and Customs (Retired), Government of India
- **Mr. Sasanka Sekhar Maiti**, Reserve Bank of India, Mumbai
- **Prof. Sudipto Mundle**, National Institute of Public Finance and Policy, New Delhi
- **Prof. Mritunjoy Mohanty**, Indian Institute of Management Calcutta, Kolkata
- **Prof. Dhanmanjiri Sathe**, Savitribai Phule Pune University, Pune

MACRO ECONOMIC PERFORMANCE

Ten Year after the Global Financial Crisis: Has India Learnt its Lessons?

R Nagaraj (IGIDR, Mumbai)

India's economy grew at an unprecedented annual GDP growth – a dream run, so to speak – of over 9 per cent for five years between 2003-04 and 2008-09, snipping at China's heels as world's fastest growing economy. If China was recognised as the world's factory, India sought to be reckoned as its back office. It was an investment-led boom, riding on the upswing in global growth in output and trade during a phase of financial globalisation. The growth was led by the private corporate sector, financed by an unprecedented rise in bank credit and private capital inflows – under largely benign macroeconomic conditions of the low fiscal deficit, stable exchange rate and BOP.

India escaped the 2008 financial crisis lightly, thanks to stricter regulation on (i) foreign bank ownership and (ii) commercial banks' global investments in risky assets. Economic growth rebound until 2011-12, On account of loose monetary stance, fiscal stimulus and renewed capital inflows (on account of the US Fed's "quantitative easing"). In fact, the after-effects of the financial crisis were felt in India with a 3-year lag, when oil prices increased steeply, the capital inflows tapered off and bank credit decelerated. Output growth slowed down thereafter; though it is not reflected in GDP numbers on account of much the disputed New NAS series.

Why did India's growth rate climb back to the pre-crisis level? The problem is mainly from the demand side. The Great Recession dented India's exports. The outsourcing industry, almost entirely dependent on the US financial sector, was faced with stricter restrictions and taxation. Considering the size of the domestic market, India could have overcome the crisis by boosting domestic demand, but it did not happen. Why?

Private corporate sector (PCS), the engine of growth last decade, found it hard to services its elevated debt burden as output growth slowed down, and macroeconomic conditions turned adverse. Corporate bad debts quickly turned into bank NPAs, adversely affecting fresh lending for productive sectors.

In particular, private infrastructure projects were faced with currency mismatch as their leverage in foreign currency (under external commercial borrowing) but with revenue accruing in domestic currency, when macroeconomic conditions turned adverse. Moreover, with poorly designed PPP contracts, project completion got stalled adding fuel to fire.

If the banking crisis is recognised as the fallout of the collapse of the credit boom and changed global environment, then the way out of it is to step up domestic demand via

public infrastructure investment, which would have extinguished the debt with higher output. This is what China did after 2008.

Instead, India's policy makers viewed the bank NPAs as microeconomic failures of the indebted firms, and commercial banks' poor lending practices. While there was some truth in such a view (given the financial frauds like Kingfisher Airline), the majority of loans turned into bad credit risks on account of changed economic circumstances and many contingencies inherent in infrastructure investment.

The current government's preferred solution for the banking crisis was to set up a US-style bankruptcy mechanism. Given that large firms and infrastructure projects are riddled with the issues of economic externalities, strategic and political considerations, the procedures (however well-designed) are bound to be painfully slow – with the expected legal litigation. If one concedes that state intervention is meant to speed up development, then such market-based solutions are likely to cause considerable uncertainty, take a long time to restore growth. Hence, the need of the hour is to take a strategic view of the problem, use public investment as a means of stimulating growth and in the process resolving the bank debt problem.

To answer to question posed in the paper's sub-title: apparently not much. Policymakers continue to believe in recreating the dream run by introducing more market-friendly policies (euphemistically called the structural reforms) to ease supply conditions, whereas the problem is principally from aggregate demand. Moreover, the official policy stance has ignored the following considerations: (i) the episodic nature of the boom during the last decade caused by financial globalisation (lifting all the boats during the high the high tide), and (ii) that global rules of the game have now changed, and (iii) financial openness has made the economy vulnerable to external shocks. The fact that domestic saving and investment as proportions of GDP have declined precipitously since 2010-11, has barely been caught policymakers' attention.

This is not a plea for reverting to a state-led inward-looking policy regime, but towards an economic openness that is consistent with India's development requirements.

Debt, Inflation and Policy Targets

Arjun Jayadev (Azim Premji University, Bengaluru)

For some time now, the role of the central bank and the fiscal authority and their relevant roles in macroeconomic stabilization have been debated both in theory and practice. The interest rate and the fiscal balance can be thought of as two independent instruments to be assigned to two targets, the path of output and the path of public debt. In India's case, as with most other countries, the principle termed 'the consensus

assignment' has come to prevail, which constrains fiscal policy to manage the path of public debt (by targeting the fiscal balance) and monetary policy to achieve output/inflation stabilization (by targeting the interest rate). In India's case, the two overarching frameworks that are set up to discuss these are the inflation targeting framework (for stabilization) and the NK Singh committee report (for managing the path of debt). But in several instances in the past, that has been reversed (where the budget balance targets the output gap and the interest rate targets the debt ratio (what we term 'functional finance'). This presentation is in two parts and focuses extensively on the dynamics of debt. In the first theoretical section, we show that the same unique combination of interest rate and fiscal balance will be consistent with output at potential and a constant debt-GDP ratio regardless of which instrument is assigned to which target. The stability characteristics of the two rules differ, however. Contrary to conventional wisdom, the case for countercyclical fiscal policy becomes stronger, not weaker, when the ratio of public debt to GDP is already high. The second, empirical part uses the analysis of the first to suggest three conceptual shortcomings of the FRBM report recommendations. First, it suggests long term policy rules without any reasoned intrinsic notion of debt sustainability, resulting in an ad-hoc framework. Second, the recommendations suggest a target that cannot be easily achieved using the instrument it chooses. Third, the analysis of the committee is silent on the fact that the variables that underlie much of the analysis (the fiscal balance and interest rates) must jointly be determined by macroeconomic concerns of achieving full employment and price stability, and that focusing on such variables in the service of debt management alone will lead to macroeconomic feedback effects that may not be planned. All of these provide a reason to revisit the case for higher government spending.

LABOUR, EMPLOYMENT AND SOCIAL SECURITY

Explaining the Contractualisation of India's Workforce **Radhicka Kapoor** (ICRIER, Delhi) and P.P. Krishnapriya

The employment structure of India's organised manufacturing sector has undergone substantial changes over the last decade with a steep rise in the use of contract workers in place of directly hired workers. Much of the existing literature has attributed the widespread use of contract labour to India's rigid employment protection legislation. Using plant level data for the time period from 2000-01 to 2013-14, we find that in addition to labour market rigidities and the existence of a wage differential between contract and directly hired workers, firms in the organised manufacturing sector have another important incentive to hire contract workers. Firms appear to be using contract workers to their strategic advantage against unionized directly hired workers to keep their bargaining power and wage demand in check. Importantly, the strength of this bargaining channel varies across firms depending on their capital intensity of production, size and existing contract worker intensity.

Further, we find contract workers' productivity to be lower than directly hired workers in some cases.

Social Exclusion and Caste Discrimination in Public and Private Sector in India: A Decomposition Analysis

S. Madheswaran (Institute for Social and Economic Change, Bengaluru)

This paper provides an empirical analysis of caste discrimination in regular salaried urban labour market in India. A separate analysis has been done for public and private sector workers. Because the affirmative action policy of India confined only to the minuscule of public sectors and excluded the vast private sector. We have used 50th, 61st and 68th round of Employment and Unemployment Survey data of NSSO in order to examine the wage gap between higher caste (others) and lower-caste (Scheduled Castes-SC) workers. The main conclusions based on decomposition methodology are: (a) the contribution of endowment difference to raw wage gap is more than that of discrimination. So expansion of educational opportunity can be a useful strategy to reduce such discriminatory treatment towards SCs; (b) Discrimination causes 19.4 and 31.7 percent lower wages for SC in the public and private sectors respectively as compared to equally qualified forward caste (b) job discrimination being considerably more important than wage discrimination. The empirical findings provide strong evidence for the extension of Affirmative Action policy to the private sector.

GENDER AND DEVELOPMENT

Reclaiming a Transformative Agenda for Gender and Development: Revisiting "Who Cooked Adam Smith's Dinner?"

Padmini Swaminathan (Council for Social Development, Hyderabad)

Planning for Utopia: A Reading of the report titled, 'Women's Role in the Planned Economy, 1947'

V. Geetha (Independent Scholar, Chennai)

My presentation will look at a report that was published in 1947 - on women's role in the planned economy. This was put together by the subcommittee appointed for this purpose and its mandate was both novel and expansive. It was to examine women's lives and the roles women played in three different yet related settings: the family, the economy, and social institutions. I draw on this report to indicate the issues at stake for those who were fascinated by the idea of planning, as such and used it as a context to bring together the household and the world of labour, marriage and money and property and progeny. I am particularly interested in the dissenting note appended to the report - it gives us an indication of how planning appeared to hold both practical as

well as utopian possibilities for women committed to transforming their lives and that of other women. It seems to me that this admixture of the practical and the possible has been central to how feminists in the Indian context have attempted to redraw the contours of economic thought - and in the event, link it to what are usually considered 'extra-economic' realities.

MIGRATION AND DEVELOPMENT

Urban Transition, Migration and Public Policies in India

R.B. Bhagat (International Institute for Population Sciences, Mumbai)

Urbanisation has emerged as a global force with increasing population living in the urban areas. It is associated with rising GDP, transformation of agriculture to non-agricultural sector, expansion of infrastructure and changes in the characteristics of population. Urbanisation embodies the forces of agglomeration shaping place and space economy through density, distance and diversity. It is the single most important factor explaining regional development and disparities in quality of life. Cities are manifestations of urban agglomerations and centres of economic growth and innovation. About 2/3rd of India's GDP originate from urban areas which harbours about one-third of population. The urban structure of India is dominated by mega cities, and there exists a lack of concern for the small and medium cities with a high potential for rural transformation. Several studies show that India has been much less successful than East Asian countries in leveraging urbanisation for gains in productivity and prosperity. Urbanisation in India is characterized by higher poverty, slums, pollution and crowding and congestions. Thus the forces of congestion and diseconomies are higher in India and there exists an obvious challenge to formulate suitable urban policies and programmes which can leverage urbanization for economic development.

The level of urbanization in India is low (31 %). It is alleged that urban definition followed in India is stringent and indirect estimation shows the level of urbanisation as high as 55 % i.e., close to the global average. It is also apparent that urbanisation in India is messy and hidden- i.e., not only the level of urbanisation is estimated to be low and but also there is a large population residing outside the municipal limit which is not counted as urban. Messy urbanisation is characterised by the presence of large squatter and slum population and the urban sprawl difficult to be regulated and planned. Paradoxically, we also find that migration is a weak force of urbanization in India as it has been occurring in the context of high population growth. As a result, the contribution of net rural to urban migration is not the dominant force of urbanisation as found in the West European countries during 19th and early 20th centuries. The contribution of natural increase remains high, and there has been an increasing contribution of net rural to urban classification of settlements i.e.

defined as *in situ* urbanisation. The process of *in situ* urbanisation is associated with emergence of large number of census towns in India in recent times and their role is being debated. Some researchers call this process of *in situ* urbanisation as *subaltern urbanisation* delinked from the dominance of globalisation and the influence of metropolitan cities. Notwithstanding, urbanisation in India is regionally lopsided dominated by big cities, and has also experienced premature deindustrialisation since the early 1990s. Due to low contribution of manufacturing and jobless economic growth India has been facing a huge agrarian crisis and rural distress. The paper argues that urbanisation should not be seen as a problem but has a huge potential to solve both rural and urban problems through integrated spatial policies and programmes. It requires a change in our public policies that mostly targets households to place based public policies.

Labour Migrant Access to Social Protection in the City

Nabeela Ahmed (King's College, London)

Internal migration within India has increased to 453.6 million according to the latest Census and plays a significant role in the country's rapid pace of urbanisation (Bhagat, 2011). While Indians are constitutionally permitted to work and settle anywhere within the country, migrants face various barriers to accessing social protection. I use the example of the Public Distribution System (PDS) - a universal food subsidy scheme - to explore how migrant access is spatialised and unequal even among low- and unskilled categories of labour in cities.

Drawing from original fieldwork in two different types of cities in western India - the fast-growing 'small city' of Nashik and 'mega-city' of Ahmedabad - I illustrate multiple barriers to access faced by labour migrants, though to varying degrees depending on type of migration and identity factors such as gender, class and religion. I present a comparison of how city contexts shape and structure access to the PDS among such migrants, and also enable them in different ways to exercise agency in overcoming such barriers.

INDUSTRY AND TRADE

Responses to Trade Reforms: Some Explorations on India's Trade Performance

Pradyut Kumar Pyne (Department of Economic Affairs, Ministry of Finance, Government of India and **Saikat Sinha Roy** (Jadavpur University, Kolkata.)

This paper empirically explores the responses of export performance to trade reforms since the mid-1980s. While some earlier studies have shown that post reforms export performance is largely driven by movements in real exchange rate, some others very conclusively show that relative prices do not matter in this context. An earlier study (Sinha Roy 2005) show that exports after trade liberalization is largely driven by

world demand. This study uses a commodity-trade partner approach to understand such post-reforms export behaviour. The panel data econometric estimation results show that, apart from world demand explaining India's export performance, it is increasing market access through participation in multilateral and regional trading agreements that led to India's export growth during the period since 1985. These new results have important implications for India's trade policy making, which overtly focuses on ease-of-doing-business in the recent period.

Stunted Industrialization and the Current Crisis of Indian Industry

Surajit Mazumdar (CESP, JNU, Delhi)

Through a broad survey of the structural change trends of the Indian economy in a comparative perspective, the paper will firstly make the case that stunted industrialization best describes the Indian industrial development experience. Tracing the roots of this to India's colonial experience and the severe limitations of the post-independence agrarian reform programme, the paper will try to demonstrate how the inherent structural constraints on industrial growth are operating in the current decade to produce one of the worst phases of industrial stagnation since independence. In the process, the paper will also examine the divergence in the industrial growth trends emerging from the new GDP series and from the Index of Industrial Production.

DECENTRALIZATION AND GOVERNANCE

Governing Primitive Accumulation

Swagato Sarkar (O.P. Jindal Global University, Sonipat)

Governance is broadly understood as a disposition of populations and resources to realise or achieve certain strategic goals. Often it is argued that the goal of this disposition/arrangement is to achieve equilibrium of forces in the society. In such an approach, governance is presented as an ideologically neutral pragmatic practice. This paper challenges such a view and argues that governance is always an expression of dominance, with an attempt to create hegemony, i.e. co-option of the dominated in the process of rule. It presents a genealogy of local governance and democracy in tribal Orissa and demonstrates how both governance and democracy produce a field of politics, which allows dispossession and extraction of (natural) resources, i.e., create political condition for the so-called primitive accumulation.

The Status of Panchayati Raj in India – A Critical Assessment

S M Vijayanand (President, Kerala Economic Association)

The history of Panchayati Raj in independent India is a long litany of missed opportunities right from the dawn of independence when the unfortunate divide between Gandhiji and Ambedkar on the issue of Panchayati Raj unsettled the role of

local governments in the new dispensation. Even the 73rd and 74th Amendments could not make a significant impact on decentralization.

After the Constitutional amendments, all the States amended their Panchayati Raj Acts or enacted new laws to make them in conformity with the Constitution. However, other laws related to the functional domain of Panchayats remain mostly untouched. One area in which there has been significant change is, in the functioning of State Election Commissions, particularly in the conduct of regular elections. More significantly the principle of reservation especially in relation to women and Scheduled Castes and Scheduled Tribes has brought into positions of authority and visibility, sections of society, marginalized for a long time. But in terms of devolution of actual functions, the picture is dismal, barring a few States like Kerala, Karnataka, Sikkim, etc. Even more pathetic is the devolution of finances, whether it be the power to tax or fiscal transfers from the State. The State Finance Commissions have not been given the Constitutional role in most States. However, it has to be noted that the Union Finance Commissions have played much more than their expected roles. In the case of planning, particularly District planning, it has been a total wash out, even in a State like Kerala which pioneered participatory planning. The District Planning Committees are practically non-functional all over the country.

What is worrying is the routinization and domestication of the critical peoples' institution of direct democracy, the Grama Sabha, which in a sense, is the foundation and *raison d'être* of local governance and democracy. The massive grant given to the Grama Panchayats - more than Rs. two lakh crore – over the period 2015-2020, has presented yet another opportunity for Panchayati Raj. The recent decision of the Ministry of Rural Development and the Ministry of Panchayati Raj to prepare Grama Panchayat level development plans by converging resources over which the panchayats have command, particularly the Fourteenth Finance Commission Grants and the Mahatma Gandhi National Rural Employment Scheme funds and utilizing the self-help groups of women to enrich the participatory process, needs to be fully operationalized. The hope is that if panchayats perform, then a virtuous circle can be triggered as performance can increase the trust of the Government as well as the people and attract more responsibilities and resources. Another opportunity is the implementation of Sustainable Development Goals (SDGs). The talk of localizing them needs to be actualized

INNOVATION AND TECHNOLOGY

Innovation Driven Startups in India - Emerging Patterns and Challenges

Rakesh Basant (IIM, Ahmedabad)

Current policy discussions focus a great deal on innovation driven start-ups. Academic researchers have started to explore different aspects of new enterprise creation but

there appears to be no systematic analysis of the context, sectoral profile, founders' background, regional patterns, participation of educational institutions, role of intellectual property (IP) and so on. One of the reasons for research gap is that there are no readily available data bases that can be analysed to understand the emerging landscape of Indian start-ups. The paper will try to partly fill this gap using multiple data bases. The Power of Ideas (PoI) competition undertaken by Centre for Innovation, Incubation and Entrepreneurship (CIIE) at IIMA in collaboration with Economic Times and the Department of Science and Technology, (DST), GoI provides one of the largest databases on innovation driven start-ups in India; about 18,000 applications were received for PoI during 2015. The applications contained detailed data on the innovation, role IP, the enterprise and the founding team. The competition was repeated in 2018 but the response rates were not so high resulting in a sample of less than 5000. However, the data collected in this round included several new variables. These data-sets, though not 'representative' can provide important insights on the emerging patterns of innovation driven new enterprises in India. The analysis of PoI data will be supplemented by exploration of Venture Intelligence and Tracxn databases.

Energy Technology Innovation in India

Ambuj Sagar (Indian Institute of Technology, Delhi)

Energy is seen as key to human, social and economic development. Technological innovation has historically played a key role in this sector globally and is also seen as continuing to do so, especially since challenges such as energy access, energy security, and environmental protection take on greater salience. This talk will discuss the Indian approach to, and experience with, energy technology innovation and reflect on the steps that might need to be taken to ensure that we are able to adequately and effectively address the range of challenges facing this sector in the country.

HUMAN DEVELOPMENT, HEALTH AND EDUCATION

Health Insurance Coverage in India: Insights for National Health Protection Scheme

William Joe (Institute of Economic Growth, Delhi) and Sunil Rajpal (Institute of Economic Growth, Delhi)

The Government of India recently announced the plans to launch of the world's largest health insurance programme to cover 100 million poor households. The National Health Protection Scheme (NHPS), however, warrants concerted engagements on the opportunities and constraints before it evolves into a universal coverage scheme. While studies have argued that publicly financed health insurance schemes had limited impact on reducing the out-of-pocket expenditure but further investigation is necessary to examine it from an equity lens. Against this backdrop,

this paper aims to examine the current status of health insurance coverage in India. The study will analyse the socioeconomic inequalities in the distribution of various health insurance schemes and its utilization. The analysis will further highlight the financial implications of care-seeking across insured and uninsured households and their choice preference between public and private sector. The results will help to understand the impact on out of pocket spending across treatment-seeking households and catastrophic implications for uninsured households. The study will be based on the National Sample Survey (Health) Data 2014 and would develop critical insights on expansion and future directions of the NHPS.

Learning Outcomes in Public School at Elementary Level

Ajay K Verma (Institute of Economic Growth, Delhi)

Education in India has a glorious past making it a great contributor to the world's progressive knowledge base. The concern for the improvement of education has been at the top of India's development agenda, since independence, and in this process India achieved 73 percent literacy rate in 2011, which was 18.3 percent in 1950 (*Census of India 2011*). India has the second largest higher education system in the world. India has a unique window of opportunity for another 20-25 years called the "demographic advantage". India is currently going through a phase of the demographic dividend. Children between the ages of 0 and 14 years makes up 27.3 percent of the population—the future demographic dividend of the country (*Census of India 2011*). India will be the youngest country by 2020 with an average age of 29 years. India will boast of the world's largest working –age population which is expected to touch 962 million by 2030 (Joshi, D., Mahambare, V., & Munjal, P., 2010).

Despite all these attributes fulfilling the objective of demographic dividend is a daunting task as India faces poor quality of education, which further results in unsatisfactory learning outcomes. India has achieved 103rd rank in the human capital index (HCI) out of 130 countries (*HCI, 2017*). This is a matter of great concern and hence it becomes essential to improve the quality of education in the country, especially in terms of improving the learning outcomes.

Key Issues in sector of Elementary Education

India has concretely progressed in improving the gross enrolment rate (GER) in the primary and secondary school after 2000, and now it has reached at 96.9 percent in 2016 (*ASER 2016*). The total number of public schools has increased by approximately, 13,500 between 2010 and 2014, but the total enrolment in fell by 1.13 crore whereas in parallel, private school enrolment increased by 1.85 crore (*Three-year action agenda 2017*). In private school enrolment increased steadily from 18.7 percent to 30.8 percent between 2006 and 2014 in rural India (*ASER 2014*). It shows

that the demand is inclined towards the private schools compared to the public schools. The quality/skill of student belonging to private school are better as compared to the public school children (ASER 2016, IHDS-II&I). Private schools are providing better quality education and strengthen the foundation for the higher education and transposes one towards better opportunity to improve cognitive and skill development.

Enrolment in government schools are influence by children of disadvantage social groups in which particularly are Schedule Castes (SC), Schedule Tribes (ST), and Other Backward Castes (OBC) (IHDS-I). Existing studies highlighted that the government school student mean achievement score in English, Math, Science, and Social Science are below when compared to general students in elementary school and private schools respectively (NAS, 2015, ASER 2014). This is a matter of great concern as it poses the important question of where equity and equality in education system and human intellectual development.

The private schools nowadays, are managed mostly by individual or some private agencies, where English is the major language for communication and dissemination of knowledge. Whereas, in public schools, languages specific to some regions of the country are utilized. Not much emphasis is placed, on teaching English, as a foreign language to the students at the public schools. It means private schools provide an environment for better opportunity to lifelong knowledge in higher education. It shows that the consumer of public education system service is shifting towards private education services. In other words, it is increasing the quality gap among private and public school children. If children study in local language, then they face problem during transition elementary to higher education or in a standard education institute, there is no attention about it in our scholar. It is a big issue in rural children because 85 percent of total school in rural India and they spend a lot of time and money on it.

There are other factors, responsible for poor learning outcomes such as school facility, delayed fund flows to schools and administrative capabilities. The average number of classroom in public school and private school are about 4 and 8 respectively. The professional trained regular teacher and contractual teacher are about 82 percent in elementary schools (*UDISE, 2016*). Government schools in rural India in which an approximate 25 percent schools have no drinking water facility available. However, considering toilet facility in schools about 68 percent schools, have useable toilet and 61 percent schools have separate toilets for girls. The most important thing in a school is the library and it is found that 25 percent of the schools do not have libraries while 80 percent of the schools do not have computers for the students (*ASER 2016*).

Poor learning outcome in public schools, are not only the result of classrooms and school's factors. There are many other factors that determine learning outcome of children such as her cognitive abilities, her parents' education, and the learning

environment in her home etc. It is well known that, learning outcome could be increased by good learning environment for less- advantaged children. On an average, the number of working days in India at the public primary school level is 222 days. At the upper primary level, it is 225 days in urban areas and 223 days in rural area (*UDISE, 2016*). While the percentage of enrolled student attendance in primary school has marginally declined from 72.9 percent to 71.4 percent between 2010 to 2016. Also, the percentage of teacher present on school working days was 85 percent in 2016 and it is 2 percent less compare since 2010 teacher present on school (*ASER 2016*).

The supply side of the public school is also inferior to that of the private schools. Even the quality of teacher in both private and public school are approximately similar, but competition among private schools renders it to provide better facilities, which makes better from the public schools. There is no motivational competition between the public schools to enable the quality services. Thus, in order to create an environment of competition between the public schools, there is an urgent need to decentralise the administrative powers of public schools. Both State and Central government, should utilize local agencies like Gram Panchayat in administration of public education sector. A local administration enforced by political bodies, may result in the development of Public education sector. Local Political interventions in elementary school system would raise the issue of quality education and it would elevate the demand for quality education in community or by disadvantage section of the society.

Health and School Performance of children

Research from around the world, highlight the importance of studying the linkages between morbidities including malnutrition, dental ailments, worm infestation, skin diseases, eye diseases, anaemia and mental health problems in children, with educational failure. School going children in an age group of 5-15 years have not received much attention from health providers / planners as that received by the children under-five years of age. Untreated morbidity and psychological health problems affects the children cognitive development, and school performance, it further creates distress not just amongst the children, but also for their families and careers, continuing into adult life and affecting the next generation. The Proportion (per 1000) of ailing persons during last 15 days are 51 and 68 for rural and urban areas respectively. Whereas, the proportion (per 1000) of individuals hospitalise during last 365 days are 13 and 18 in rural and urban areas respectively, among children aged 5 to14 years (*NSSO, 71st*). It is a general observation that health outcomes for the children from disadvantaged sections of the society is generally poor. Also, students of public schools at elementary level generally, belong to the disadvantaged sections of the community, which are at higher risk of infectious diseases. Moreover, this low standard of living adversely affects the children scholastic performance.

In policy framework of the education, facilities of health should be provided to the school going children in age group 5-15 years, in order to improve the scholastic performance of an individual. Moreover, there should be a provision of either free or subsidized health services for these children.

PLANTATION CROPS

Institutional Redundancy and Inclusive Development: The case of India's Plantations Sector with focus on Sustainable Development Goals

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The contemporary development scenario of India's plantation sector, covering the major products, such as tea, rubber, coffee and spices, has been affected by a major crisis emanating from a host of factors, including the structural infirmities confronting the production sectors as well as external price cum market risks and climate change induced adversities. More specifically, as several studies show, the crisis in the plantation sector has been triggered by three major challenges, viz., (a) persistent decline and instability in prices of commodities making them non-viable production systems; (b) the labour market issues caused by shortage of skilled and unskilled workers; and (c) the climate change induced adversities. A critical review in retrospect would reveal that the extant policies and institutional systems governing the Indian plantation sector have been evolved in the initial decades of the post- Independence period and these institutional interventions had strategically focused on enhancing the area, production and productivity of the plantations, besides providing a protected price regime along with facilitating marketing and trade of the products (spices, coffee, tea, rubber, etc), while insulating the domestic economy through import substitution strategies (the case of rubber). As an outcome of the various institutional development strategies and policies adopted by the respective institutional agencies under the auspices of the Commodity Boards, India's plantation sector had achieved a prime place of importance in the global plantation landscape in terms of a major exporter of spices products, coffee and tea and a pivotal player in the global rubber market as well. Nevertheless, the liberalization policies along with the launching of economic reforms since 1991 had resulted in the destabilisation of the plantation sector, involving all the commodities and the multiple challenges of the sorts as listed above have adversely affected the economic viability, social well-being and sustainability of the sector.

Against this background, the paper critically examines the policy cum institutional and governance aspects of India's plantation sector. Based on the conceptual model of the Institutional Analysis and Development (IAD) framework as proposed by Elinor Ostrom (1990; Ostrom et al., 1994), the paper makes a critical assessment of the institutional development process in case of plantation sectors and its outcomes on development and expansion of the commodities and the socio-economic and

environmental spillovers. Based on the emerging crisis in the plantation development scenario, the paper argues that the extant institutional and policy interventions have become redundant and incompatible in the wake of the changing global economic and trade environments as well as the shift in the climate regimes.

The imperatives of restructuring of India's plantation sector assumes significance in the emerging global concerns for achieving the sustainable development goals (SDGs), as almost 12 out of the 17 SDGs have strong bearing on the plantation development directly or indirectly. The social and economic significance of the plantation sub-sectors assume prominence from the perspectives of development of the regional economies of Southern and North-Eastern states, as these plantations are geographically concentrated in these regions, with significant contributions to the well-being in terms of ameliorating poverty, hunger, income as well as sustainable livelihoods. Apparently, a vast segment of the plantation dependent communities, including smallholder producers, workers, marginalized sections, including landless estate workers, tribal communities, etc., are hard-pressed by the crisis affecting the plantation sectors in the country. The sustainable livelihoods of these communities largely depend on the sustenance of the plantation sectors in the current and future generations as well. The paper brings out a strong case for strengthening the plantation sub-sectors through new development initiatives, policy and institutional interventions covering the entire spectrum of production, processing, value addition and product diversification strategies, so as to reinstate the vibrancy of India's plantation sector as a major stakeholder in the value chain of the global plantation industry.

Destruction of Petty Commodity Producers under Neo-Liberal Trade Regime in India: The Case of Natural Rubber Producing Farmers

S. Mohanakumar (Institute of Development Studies, Jaipur)

Petty commodity producers are defined in terms of the fragile capital base and their dependence on the local markets for inputs and output. Producers with fragile capital are inept to sustain frequent price fluctuations in the output market, eventually driving them into natural extinction from the production arena. Literature on market fluctuations of agricultural commodities and the destruction of petty commodity producers are broadly classed into two groups: (i) development of productive forces in agriculture or what is called in political economy parlance as development of capitalism in agriculture; (ii) production/market efficiency and the survival of the competitive producers. There has been substantial decline in the productivity of Natural Rubber (NR) in India since the crop has been subjected to continuous and unrelenting price fall for more than half a decade since 2011. For the first time in the history of NR in the 20th century, productivity of the crop fell consecutively for three years from 1999 to 2002 in the wake of the continuous price fall following the South East Asian Economic crisis in 1996. The NR being a small holder's crop with an average size of holdings of 0.46 hectare, staying capacity of farmers have been shaken

with continuous fall in price of the crop. Productivity is the primary variable determining the competitiveness and profitability of any agricultural commodity and NR is not an exception to it. The productivity of NR fell by (-)2.44% per annum from 1867/kg/ha to 1458 kg/ha between 2008-09 and 2017-18. It may also be noted that the rate of decline in NR productivity is much higher than the rate of increase in productivity during the second half of the 20th century. Sustainability of NR production sector implies sustenance of marginal and small farmers, constituting more than 98% of the total rubber holdings and 78% of area under NR in India. Against the setting, the study explores factors influencing NR price in India during the reform phase. Supply side variables viz., production, import and exports on the one side and demand side variables such as NR consumption, growth in agriculture, manufacturing, aggregate GDP are used. The influence of international market on NR is captured with world oil price, world GDP, world price of NR representing the aggregate impact of the supply and demand side variables in the international economy. The variables are tested for unit root (to detect the stationary property) and cointegration (Engle-Granger test and Johansen test) for both domestic as well as world NR price along with demand and supply side variables used in the study. Having identified the co-movement of variables, causality test is applied to detect the cause and effect relationship of variables with NR price. The VAR Model was applied to find the short run causality between the variable as there was no long run co-movements between the domestic and world price of NR. The study concluded that the NR sector in India was closely integrated with the world NR market after 1991. The quantum of NR in different forms and types imported to India exceeded the production in the 1980s. It has also been noted that the NR economy of India has been fast changing into a NR import dependent rubber goods industry and in the very near future, petty producers would abandon the crop and its implications for the livelihood of the dependent population would manifest in terms of widening economic and regional inequality in major NR producing state in India, viz., Kerala. The NR sector in India may not be sustainable in the long run in the present situation as long as the domestic market is integrated with the world NR market. Government intervention in the domestic NR market is less likely to yield desired results as long as domestic market is connected to the world market.

WORK, WORKPLACE AND THE LABOURING POOR

Political Economy of Rural Labour: A Review

Ishita Mehrotra (Ambedkar University, Delhi)

The objective of this paper is to map the key themes, debates and indicate gaps in literature relating to rural labour in India. This mapping exercise is primarily based on a survey of field based studies, located in the political economy tradition. The work of the National Commission for Enterprises in the Unorganised Sector (2007) and the Socio Economic Caste Census (2011) and NIAS study on inequality and farmer

suicides (2016) will also be used. This mapping exercise is organised in the following manner. The first section discusses the ‘crisis’ in Indian agriculture and countryside – what are the contours of this crisis, who is it a crisis for and with what implications. This section sets the stage for the subsequent discussion. The second section is on theoretical challenges to conceptualising rural labour and rural labour markets. The third section is subdivided into three parts – rural labour markets, rural labour relations and labour struggles. Under each of these, similar themes are grouped together and existing relevant literature discussed. The fourth and the concluding section is an attempt to synthesise the main issues and indicate possible arenas of study.

Section 1: Rural Distress and Agrarian Crisis

Since rural labourers come from the village agricultural economy and are still predominantly perceived as being dependent on agriculture directly or indirectly (subject to regional variations), the first task of this survey would be to describe the project of agrarian neoliberalism and what this has meant for rural labourers, for the agricultural sector and the countryside. The picture of agrarian crisis and rural distress that emerges is not just the direct consequence of post 1990s reforms but a culmination of other longer term processes of change relating to technology, cultivation practises, accumulation strategies, fragmentation of landholdings etc. Both, the agrarian crisis and these historical trajectories are marked by regional, class, caste and gender specificities.

Section 2: Who is Rural Labour?

Against this backdrop, the first question then is who is a rural labourer? All evidence points to labourers straddling different geographies, combining as they do small-scale farming with wage labour, migrant work, petty self-employment and unpaid activities which are important to their survival. This is a fragmented, highly mobile ‘labouring class’ whose experience of exploitation and oppression is mediated through gender and caste identities. Empirically, these trends have been well documented by field studies in agrarian political economy. Theoretical reconsideration, however, has been very limited, particularly by Indian scholars in the field, who continue to work with the old categories. Similarly, rural labour markets cannot be understood solely in an economic sense with reference to percentage of employment created, poverty effects, extent of unemployment or underemployment, wage rates etc. Labour markets, especially rural labour markets, are arenas of social relations where unequal power relations are a norm, where inequalities (income, wealth, caste, gender, religion, region, capabilities etc.) intersect and overlap, influencing who can access what type of jobs and under what terms and conditions.

Section 3: Changing Contours and Complexities of Rural Labour

High growth rates have not translated into productive and decent employment opportunities in Indian economy. India's rural labour market presents a complex picture. In India, while the contribution of agriculture to GDP has been declining, almost half the population is still dependent on agriculture for employment. Under the rubric of rural labour market, the discussion focuses on what are main forms of labour commodification, self-employment activities and other non-income generating activities which nonetheless are important for rural labouring households' survival. It is argued that accessing village labour markets and occupational 'choices' are determined by class position, intersected by caste, gender and religious identities and village based power relations. Most works show that the non-farm economy in rural and urban India have emerged as important sources of employment, especially in the case of men. There are few field studies that document 'atypical' phenomenon, for example, poorest of the poor do not migrate or the feminisation of unfree labour relations. Any discussion on rural labour markets would be incomplete without discussing the implications of policy interventions such as NREGA for rural employment. At a more general level here, the important consideration is that is public employment still the only hope for regular, better waged and dignified employment (for example, in schools, as health workers etc).

Under the theme of rural labour relations, the starting point is the various modes of employment and their wage structure. An important area of enquiry is with respect to labour recruitment and labour control. Here, field studies have documented how labourers are recruited through jobbers, personal networks, can be based on debt relations or on caste, locality preferences. Mechanisms of labour control can vary – direct supervision, advance/debt based tied labour relations, nature of work (whether contract or piece-rate based) itself can act as a source of control. Fragmentation and friction amongst labourers serves capitalist interests. Another important theme is unfree labour relations – what is meant by free/unfree labour, are they to be understood as separate or as a continuum, understanding the range of bonded/priority/tied/interlocked labour arrangements, do they preclude all labour agency and possibility of protest, who bears the burden of unfree labour relations. How male out migration has affected women and aged, relations between migrant and local labourers, fieldwork focussing on women and family based migration, how labour relations differ depending on social and economic caste of employers and labourers – these are few questions where limited research exists.

Whether labourers are able to challenge their oppression and if so, to what extent is considered in the sub-section on labour struggles. What form do labour struggles take, what is their content, against whom are these struggles directed, what are the organisational basis and consequences of such struggles, what role do local and state level political regimes and civil society play in labour struggles, how are these

different from older style of rural politics – these are some of the questions that existing literature engages with.

Section 4: Conclusions

The concluding section will briefly summarise the current state of research on rural labour and emerging areas of enquiry. Rural labour is a domain characterised by systematic and consistent exclusions yet a disaggregated view is of utmost importance to comprehend the nuances of structure and struggles.

Mapping the Urban Industrial Labour in India

Sumeet Mhaskar (O.P. Jindal Global University, Sonipat)

The last two decades of the twentieth century witnessed the decline and eventual closure of large-scale manufacturing factories in the industrial centres in India such as Mumbai, Ahmedabad, Kolkata and Kanpur. The industrial closures resulted in the retrenchment of a massive army of workforce that had been part of the organised labour force in the country. These developments mirror the trajectories of large scale manufacturing industries in the global north. In some cases, the factory closures in the global north ran parallel to those in India. Unlike in the west, however, the organised workforce in India constituted a tiny minority and following factory closures industrial production did not move outside the country. In both parts of the world the industrial landscapes, which emerged since the mid-19th century, are transforming in a significant way. It thus, offers an interesting opportunity to examine and revisit the issues that formed the core of debates in labour history, sociology and anthropology. This paper will map the wide-ranging debates that emerged in urban industrial context such as migration and rural-urban linkages, relevance of social institutions such as caste, gender and religion, and class consciousness, the labour movement and the issues of formal and informal labour.

Unionisation and Labour movement

The large-scale factory closures and the subsequent layoffs directly affected the labour movement. It was mainly because the labour movement had largely restricted itself to the confines of the organised workforce. Scholars increasingly paid attention to causes for the decline of labour movement and argued that one of the major reasons was its non-expansion into the informal sector. The proliferation of labour unions with the arrival of democratic politics is also seen as a factor for the decline of the labour movement in the country.

Formal Informal Dichotomy

The layoffs of the organised workforce resulted in downward economic mobility and the movement of the formerly organised workforce into the informal sector. These developments brought attention to the largely ignored issues of workers within the

informal sector. More importantly, the issue of the informal conditions of employment within the formal sector also came within the purview of discussion. The informal sector in India has historically constituted nearly 92 percent of India's workforce. The discussions around the theme of the formal and informal labour demonstrated how porous the boundaries between the formal sector and the informal sector have been. Scholars now argue that the formal sector was in fact dependent on the informal sector economy and its workforce for its various processes.

Determinants of the Urban Labour Market

As discussed previously, the formal and the informal economy, as well as the conditions of employment shaped the labour markets. The other factor that influenced the labour markets in a significant way is the role played by the social institutions such as caste, gender and religion. The modernisation and Marxists scholarship expected that the processes of industrialisation and urbanisation, the twin processes of modernisation, will weaken the social institutions of caste, gender, and religion in the urban industrial context. It was argued that in the matters of recruitment the skill of the worker will be of primary consideration and not their social background. However, very few scholars tested these assumptions in the urban industrial contexts. Historians in the recent decades have shown how these identities played a crucial role in shaping the urban labour markets. Social instructions they argued were repeatedly reformulated in numerous ways and affected the occupational choices of the vulnerable social groups.

Workplace and Neighbourhoods

The site of the factories remained an important space for studying the labour movement, the politics of labour, and the formal and informal divide in the economy and the conditions of employment. Scholars, however, argued that in order to understand the politics of the labour as well as the relationship between the formal and informal workforce, one need to pay attention to the working class neighbourhoods.

Migration and Rural Urban Linkages

The rural urban migration was the major source of labour supply for the urban industries in India. The migrated workers retained their links with their places of origin. The employers interpreted these links as a sign of 'rural mentality' or 'villagers at heart'. Scholars argued that these links were retained due to the uncertain working and living conditions in the urban industries. With the closure of large-scale factories and the movement of a section of workforce to the rural areas these questions could be fruitfully engaged, on how did the migrant workers experience the urban milieu.



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