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- COVID-19 and a Just State?

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- World Economy and Nation States post COVID-19
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Ever since the first issue in 1966, EPW has been India's premier journal for comment on current affairs and research in the social sciences. It succeeded *Economic Weekly* (1949-1965), which was launched and shepherded by SACHIN CHAUDHURI, who was also the founder-editor of EPW. As editor for 35 years (1969-2004) KRISHNA RAJ gave EPW the reputation it now enjoys.

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E-courts: Need of the Hour

A disaster or any pandemic cannot be stopped, but one can arm themselves with its knowledge and preparedness. The current pandemic, COVID-19, has created a global distress in all the spheres of life, and the judicial system is also not an exception to this. The COVID-19 lockdown has blockaded the helm of the judicial system. Courts across the nation are shut and no hearings are being conducted, except for the most pertinent ones. This novel coronavirus has severely impeded the global justice system. Several nations like Indonesia, Malaysia, the United Kingdom, Singapore, and many others have started switching to online hearings and trials, and it shall be reasonably expected that India would not be lagging behind. The disruption caused by COVID-19 essentially compels us to migrate from a mallet to a click. In India, undeniably, the crime rate has dropped and it could be the best possible time to clear at least a considerable backlog of cases. The lockdown will only increase the delay in justice deliverance, and one push towards the virtual hearing of cases is going to combat this delay.

On 6 April 2020, the Supreme Court of India issued guidelines for courts to switch to video conferencing during the pandemic for both future and past cases. A three-judge bench of Chief Justice S A Bobde, Justices D Y Chandrachud and L Rao directed the courts to restrict entry and maintain social distancing, besides other measures for combating the spread of COVID-19. It also said that the Supreme Court and high courts are already conducting proceedings through video conferencing and the other courts should also use the same. But these courts are only dealing with important matters through video conferencing. Even the limitation period has been suspended and general guidelines have been issued on the use of video conferencing. Is this not a legal conundrum? The second wave of the lockdown has brought many hurdles in human lives, and if such a vital organ of the government will stop functioning or will be reserved only for the urgent matters, how will there be access to justice?

Accessibility to justice should not be infringed on, irrespective of the COVID-19 pandemic. The option of live streaming is now easily available to the ordinary citizen as well, so there is no reason as to why the judiciary is not utilising such a crucial measure to provide access to justice, despite its efforts to construct e-courts since 2004. This pandemic could be the best time to bring in video conferencing for the access to justice and speedy disposal of cases.

Technically, the courts are shut but new cases continue to be filed through an electronic medium during the lockdown, resulting in a serious backlog of cases. In India, the condition is so miserable that none of the subordinate courts are following the electronic mode of court proceedings. The consecutive lockdown has suspended the whole work mechanism of the subordinate judiciary, be it an urgent matter or a trivial one. The best possible solution for the judiciary is to migrate to the electronic mode for the regular functioning of the court. Courts can mandate compulsory electronic filing and registering of pleas/petitions with brief facts, arguments, and the laws they should be based upon. Even trials or hearings can be conducted through the electronic medium. Even the lower courts that lack an adequate electronic infrastructure can deal with it meticulously by accepting written submissions as the grounds for their arguments through mails, especially in civil cases, and can move towards oral hearings and trials to reduce the excessive pendency of cases. This shift from the real to the virtual courtroom may prove to be the front runner in the expeditious delivery of justice and clearing the backlog of cases. COVID-19 has taught us to develop a solution-oriented outlook and to live more in less.

Aparna Singh

GANDHINAGAR

A Teacher's Take on the Pandemic

The novel coronavirus pandemic has brought the fast-paced life of the 21st century to an almost standstill. The dark cloud of this virus has spread far and wide, though, like all dark clouds, it does have a silver lining too. It has given

us time to slow down and observe our lives closely.

While we educators utilise this opportunity, we may realise that much needs to be reworked and relooked into with regard to our educational policies and practices. These policies have been heaped upon one over the other for the past many years without contemplating as to what we would like the foundation of our education to be.

Let us talk about testing first. March was the month when we first felt the need to retreat from social life to isolation. This was also the month of testing or examination in our schools. Examination is the threshold every child has to cross to be considered worthy of the next grade. It had to be disrupted or completely done away with in some cases as schools were shut down in the early days of March. All the students in most states, except for Classes x and xii, were promoted to the next grade. This unique situation presents us with a chance to relook into the value we associate with examination or standardised testing in our education system.

Would it really be detrimental to the learning levels of the child if we do not convert their learnings, hard work and understandings into a mathematical number at the end of each academic year? Now that most children have started covering the syllabus online for the next grade without sitting for exams, has this hindered their process of learning? Maybe we can begin by questioning who is actually benefiting from exams, if it does benefit anyone at all in its present state. When a child is stamped as outstanding, good, average or needing improvement, is it really the child who benefits from this assessment of their efforts and skills into standardised categories/positions, or is it the parents or the teachers? If we find it difficult to find answers to this question, maybe it is time to relook into the role and relevance of examinations as they exist in our system.

Of course, understanding how much a child is able to understand and assess their learning levels through testing is a beneficial activity when used to plan lessons and devise ways to create a better environment of understanding in the class. But using it as an index of the

child's capability over a complete year is something that makes examination a dreaded word. A teacher teaching with a focus on testing and a child responding in a similar fashion by always preparing for an eventual testing is not the best way to drive classroom transactions. Examinations and performing well in them, becoming the sole purpose of the classroom transaction kill the essence of education that is supposed to help a child blossom, grow, and not restrict themselves to fit into a question booklet. Boiling all the aspects of schooling such as teaching, learning, curriculum, and extra-curricular activities together, and using the sieve of examination to filter it down based on standardised testing might not be the brightest idea of schooling, which we want to burden ourselves with in the 21st century too. Examination and its power as a determinant of the child's most productive years is more or less absolute. It is time we question it and find better ways to build a healthier environment for children, instead of boxing in and labelling them.

As the world has moved to digital spaces to make up for the loss of physical spaces during this pandemic, it is interesting to note how the use of technology has enabled us to carry on teaching-learning through online classes, webinars and group chats. However, it has also deepened the divide and made it worse for those who do not have access to these mediums. Hence, once we resume our life after this pandemic and begin with regular schooling, would it not be extremely unfair that we let the children who needed help the most fall back and then test them on the same standards?

We may also take this chance to re-evaluate how what we teach and test so religiously might equip the next generation to face an increasingly unpredictable world. Does our present curriculum and

pedagogy suffice in creating individuals who are critical, courageous, and creative so as to face such unprecedented situations? If not, then we must urgently look into our policies and curriculum. These times, more than ever, call for emphasis on pedagogy based on developing critical thinking, compassion, empathy, fellowship and emotional-social intelligence.

Education, when it peddles static knowledge, would not help make sense of the world around and would make those involved feel alienated. Imparting to our children an education that is not evolving and is full of inert ideas would be disastrous. Perhaps, the only way forward is through observing the past. To analyse what was, where it leads us to, and what we would want our future to be, admitting mistakes, amending wrongs wherever possible, and improving are the only sensible ways through which we can approach an uncertain future with confidence.

While the world around us undergoes a drastic shift, we can only imagine what the new normal would be like. It would not only be foolish but also counterproductive if we serve the same system to our children without addressing these concerns and reworking on them. The best possibility to emerge from this imminent threat to mankind could be a clear perspective of what we want and how to reach it. Maybe then we could truly utilise the silver lining presented to us and step into a better, more humane future once we overcome this disease.

Richa Dang

NEW DELHI

Corrigendum

In the article "Excluded in Rehabilitation: Disability in the Neo-liberal Era" (*EPW*, 28 March 2020), the citations "Mladenov 2015" and "Mladenov 2015; Owen and Harris 2012" (p 12) should have read as "Mladenov 2015: 446" and "Owen and Harris 2012: para 8," respectively.

The error has been corrected on the *EPW* website.

EPW Engage

The following articles have been published in the past week in the *EPW* Engage section (www.epw.in/engage).

- (1) COVID-19 and Aadhaar: Why the Union Government's Relief Package Is an Exclusionary Endeavour
—*Reetika Khera and Anmol Somanchi*
- (2) Making Rural Healthcare System Responsive to Domestic Violence: Notes from Patan in Gujarat
—*Society for Women's Action and Training Initiatives (SWATI)*
- (3) Photo Essay: A Study of Contrasts in Bengaluru's 'High-tech' Zone—*Pooja Rao and S D Suman*
- (4) Financial Inclusion and Digital India: A Critical Assessment—*Shailla Draboo*

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Contributions to this section may be in the form of articles (2,500–3,000 words), photo essays, podcasts and videos on topical social, cultural, economic and political developments. For more details, visit: <https://www.epw.in/notes-contributors-epw-engage>.

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Rescuing Micro, Small and Medium Enterprises

Monetary and fiscal measures are needed to help MSMEs withstand the exogenous shock due to the lockdown.

Economic activities abruptly came to a standstill with the nationwide lockdown, the final closure of which seems a far-off prospect. In the event of its continuation, though in a diluted form, the lockdown is going to severely affect the micro, small and medium enterprises (MSMEs). In fact, the MSMEs have been one of the worst affected businesses due to the disruption caused by the pandemic. It is crucial that these enterprises, which are disadvantaged by their size as well as their limited cash flows, survive the onslaught of the imposed disruption. This is because a closure not only has a cascading impact on the entire supply chain, but it has also adversely affected the livelihoods of those involved in running these enterprises and those who are employed in them. The MSMEs, therefore, require immediate but substantial relief from the government to cushion the exogenous shock of the lockdown, at a time when the economy has already been reeling under a deep economic slowdown.

The MSMEs, being an integral part of the product supply chains, form an important sector of the economy. These enterprises contribute about 30% of the country's gross domestic product (GDP), 40%–45% of exports, and employ about 114 million people who comprise about 30% of the labour force. About 63 million unincorporated MSMEs are engaged in the non-agricultural sector, the majority of which are microenterprises in the informal sector. Even before the lockdown, these enterprises were beset with problems of liquidity caused by delays in payment and unsold goods as well as insufficient credit and loss in business. The access to institutional credit has also been weak due to the fact that an overwhelming majority comprises single-person proprietorships that are not registered as companies, as per the National Sample Survey 2017 data on unincorporated non-agricultural enterprises.

The MSMEs do not have adequate resources to withstand an exogenous shock, such as a lockdown imposed to contain the spread of the pandemic that has disrupted production and supply. The government, in end March, allowed the MSMEs to delay goods and services tax (GST) returns for the months of February to April and until June, without drawing interest, late fees, or penalties, and has also accelerated the settlement of income tax refunds. The Reserve Bank of India (RBI) also adopted measures to infuse liquidity by easing working capital financing. The Small Industries Development Bank of India (SIDBI) announced a concessional interest rate of 5% for MSME loans. Several public sector banks also

introduced emergency credit lines by which loans can be availed by MSME borrowers. In end March, the government also decided to bear the 24% contribution to the Employees' Provident Fund, of both the employee and the employer combined, for the ensuing three months. But, only businesses having up to 100 employees, with 90% earning less than ₹15,000 per month, would be able to avail this benefit. Despite the announcement of these measures, a survey of 5,000 MSMEs by the All India Manufacturers Organisation (AIMO) revealed that 71% of the enterprises could not pay salaries to their workers for March 2020 due to the lockdown. Thus, a substantial relief package is necessary for businesses to stay afloat as cash flows have dried up. Even though the government had announced that a stimulus package for the MSME sector is in the pipeline, the stakeholders have been perturbed with the delay in the announcement of this package.

To pull the MSMEs out of the crisis, both monetary as well as fiscal measures are required. It has to be noted that if the MSMEs do not survive, any fiscal stimulus offered in the aftermath of the lockdown may turn out to be ineffective. What is immediately required is an injection of liquidity, which calls for the provision of adequate, timely, and cheaper credit, a wage protection package, and interest moratoriums. This would also necessitate an expansion and extension of the RBI's moratorium on the payment of loans for MSMEs beyond the stipulated period of three months. Apart from these and tax deferrals, there is also a need for provisioning additional funds targeted towards MSMEs to help them survive. Industry bodies have been demanding a stimulus package worth 4%–5% of the GDP. There is certainly a need to support the MSME sector not only by providing short-term relief, but also for their growth and revival in the medium and long terms. The challenge, however, will be to identify businesses in dire requirement of funds and those that are affected the most by the current crisis, as the MSMEs are spread across various industries and states, operating mostly in the informal sector. This is because there is no accurate or reliable information on the MSMEs due to the absence of recent census data on the enterprises, for the previous MSME census was conducted way back in 2006–07. The lack of a verified MSME database could also, therefore, deter targeted delivery of the much-needed relief package. Even then, a comprehensive package involving the stakeholders directly by addressing the specific nature of problems confronting the sector would ensure better effectiveness of the state's intervention.

Undemocratic Evasion of Environmental Responsibility

The draft Environment Impact Assessment Notification is an affront to the environment and to democratic processes.

The Government of India has circulated the new draft Environment Impact Assessment (EIA) Notification, 2020. EIA is an important process for evaluating the likely environmental impact of a proposed project. Impact assessment is, basically, a decision-making tool to decide whether the project should be approved or not.

Introduced in 1994, the EIA notification was revised in 2006. On 23 March 2020, the day before the national lockdown in the wake of the COVID-19 pandemic was announced, the central government sought public comments on the new draft EIA notification. The public has been given 60 days to send their comments, overlapping with a time when the nation is under a lockdown.

Several issues require much deeper scrutiny. First, the new draft EIA notification aims to fundamentally change the manner in which an EIA is carried out. The new draft allows for post facto approval for projects. It has provisions to award clearances for projects even if they have started construction or have been running without securing environmental clearances. Securing these clearances was mandatory for all projects included under the EIA regime as per the existing EIA notification of 2006. The new draft states, "The cases of violation will be appraised by Appraisal Committee with a view to assess that the project has been constructed or carried at a site, which under prevailing laws is permissible or expansion has been done which can be run sustainably under compliance of environmental norms with adequate environmental safeguards; In case, finding of the Appraisal Committee is negative, closure of the project shall be recommended along with other actions under the law including directions for remediation." Post facto approval is in violation of the "precautionary principle," which is a principle of environmental sustainability. This also means that any environmental damage caused by the project is likely to be waived off as the violations get legitimised.

It is to be noted that on 1 April this year the Supreme Court ruled that the central government had no power to grant post facto approval, on the grounds that this would be in "derogation of the fundamental principles of environmental jurisprudence." Writing for the bench, Justice D Y Chandrachud held that "environment law cannot countenance the notion of an ex post facto clearance. This would be contrary to both the precautionary principle as well as the need for sustainable development."

Second, it is an irony that the EIA process, which itself is an outcome of the Rio Declaration, is today being finalised without detailed public consultation. Specifically, the EIA process is an outcome of Principle 10 of the 1992 Rio Declaration, which says that environmental issues are best handled through participation of all concerned citizens, and that states must provide an opportunity to citizens to participate in decision-making processes. The draft EIA notification has not been

publicised widely by either the central government or state governments. In order to get public inputs, it is essential not to limit its publication just to a specific government website. Detailed consultations with the public at large need to be enabled through different channels of consultation. If nationwide consultation could be held for Bt Brinjal, there is strong reason to have similar consultation on an issue related to the EIA process itself. To date, the EIA process is the only legal process where information is shared and the opinion of the public obtained on environmental impact before a decision is taken on a large-scale project. The disregard of this process by the draft notification is simply undemocratic.

Third, this lack of participation is further reflected in the draft notification, which confers absolute power to the central government. The central government gets the power to categorise projects as "strategic." Once a project is considered as strategic, the draft notification states that "no information related to such projects shall be placed in public domain." Further, experts from outside the government—or larger civil society—are left out of the process for reporting violations. Violations can only be reported suo motu by the project proponent, or by a government authority, appraisal committee, or regulatory authority.

Finally, the draft EIA notification, in its haste to please industry, excludes most of the building and construction sector from being scrutinised. The building and construction sector is among the largest greenhouse gas emitters. Yet, as per the draft notification, new construction projects up to 1,50,000 square metres (instead of the existing 20,000 square metres) do not need "detailed scrutiny" by the Expert Committee, nor do they need EIA studies and public consultation.

The draft notification is issued under the powers vested in the central government under the Environment (Protection) Act, 1986 to take all such measures for "protecting and improving the quality of the environment." Yet, not a single measure appears to be aimed at improving the quality of the environment. Unfortunately, even the voice of the people is being curtailed. Projects which require EIAs are large projects with huge investments, with construction time running into several years, and even a decade for large dams. While adequate time is granted to projects for financial approvals, locally affected people have only 20 days—further limited by the draft notification from the narrow 30-day window at present—to respond to these projects. In sum, it expects farmers, tribals, fisherfolk, forest dwellers, and others to leave their livelihood and rush to study EIA reports within this short time period.

The draft EIA Notification, 2020 must be put on hold. Not only is this not the time to seek public comments, but it has to be deferred because such a notification has to be widely discussed and can be considered only after due democratic deliberation.

COVID-19 and a Just State?

One of the important consequences of COVID-19 has been that it has led the state to modulate itself into a “just” state. Its justness is sought to be defined in terms of its morally commanding position to extend its power of control or regulatory authority to almost all spheres of the country’s public life. Arguably, the Indian state has brought its economy, institutions, cultural life, social and religious life, and transport systems—air and ground—under strict regulation. The state seems to have acquired, although temporarily, the character of a maximum state. However, it is more interesting to note that the Indian state, with its extensive thrust, seems to have found public support for its decisive presence in these fields. The minimal state, in the libertarian thinking, has a restrictive role in the material life of the people. How does one understand the people’s acquiescence to a maximum state and what are the conditions that led to the maximisation of the state?

First, it is needless to mention that it is the enormity of the threat of the novel coronavirus that seems to have made people “supportive,” if not pliant, towards the state’s “authoritative” appeal. It is the devastating nature of the threat of the virus that has eliminated the grounds of objection to the state’s decision of a complete lockdown. The maximum state, thus, seems to be morally justified as its extension in the basic spheres of life is considered to be essential for the “protection” of the lives of people. The heart-wrenching narratives of migrant labourers have to wait for their recognition before the official narratives of protection.

Second, in the official version, the state’s extension is sought to be justified on the grounds that people themselves have been increasingly failing in their responsibility to control the spread of the virus. In hindsight, it is, therefore, “moral mantras” that are being suggested such as “self-protection is the perfect guarantee for the protection of others.” Implicitly, this “mantra” also protects the state’s credibility; the credibility that the state is caring, competent and confident in confronting the crisis. Put differently, it has been suggested that the state’s success in overcoming the crisis depends on people’s “will” for self-protection. It is in this context, that the states in India would then see the attack on police and government medical professionals as an attack on people themselves rather than on the former. Those who do not understand their own responsibility to the self are not only

empirically being unfair to the state but to themselves. This is not to suggest that the police are not indulging in excessive action where it is not necessary. The logic of the maximum state suggests the following: exercising control on one’s freedom, especially during the lockdown, is also the condition to ensure possible freedom; freedom that will not require its curtailment by the state authority, which, right now, in the event of the COVID-19 outbreak has imposed strict restrictions on people. Put differently, if the people demonstrate their ability to restrict their “unnecessary” movement through self-control, there would be no need to put them under surveillance.

Finally, tightening the lockdown, which the state declares as undesirable but unavoidable, is also the result of the reticence that is shown by some of the industrialists to take responsibility of handling this crisis. This is not to ignore the fact that some of the leading industrialists and civil society organisations have indeed come forward to extend their tangible support to the government. However, we need to raise a more fundamental or transcendental question, which is: Will the state maintain its maximal character after the disappearance of the crisis? Should it extend its ideological presence in all spheres of people’s lives?

Let us risk putting forward a premise and envision the immediate future, the role of state in the light of such a premise. The state may not have ambitions or will not be allowed to maintain its maximal status as its tentacles will be restricted by the very logic of the market. In such structural constraints, it can, as far as possible, place itself in a moral command to suggest that human beings can be fair to themselves only in the condition where the state is also fair to human beings.

However, the nature of the state as being just cannot be defined in terms of the contingent nature of the crisis. The justness of the state centrally depends on the condition that it remains just and decent at all times and across different spheres of the public. Ironically, the COVID-19 crisis has provided the state an opportunity to continuously remain just about the concerns of public health, in particular, and social health of the society, in general.

Uppalpuru

FROM 50 YEARS AGO

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Anna for Lunch

How can a party in power, its leaders preoccupied with administration in the capital city, still retain its “Common Touch”? In its own limited sphere, DMK has shown remarkable success in this direction. But then it could be quickly pointed out that this success springs

precisely from the fact that the sphere is limited and provides such highly effective points of mass contact, as Anna and the Tamil Language. These advantages have been exploited through various and diverse rituals of hero worship and sustained work at altering names and devising nomenclatures with an authentic Tamilian flavour. Sometimes the two operations can be happily combined, as in the proposal to name a new paddy strain after the late leader, Annadurai.

The moving spirit behind this particular idea is actually the Centre, which seems to have

suddenly decided that the promotion of the Green Revolution requires ‘meaningful’ designations for new seed strains. This is a little confusing. New seed varieties are the result of continuing research at various agricultural research stations. What could be more ‘meaningful’ than a nomenclature indicating both the station and the stage of research — such as the famed ADT 27, which was the twenty-seventh strain developed at the Aduthurai research station? But no, the Centre will have no more of this pedantry and the Tamil Nadu Government has gleefully set about the job of finding new and better names.

When People and Governments Come Together

Analysing Kerala's Response to the COVID-19 Pandemic

ARUNA ROY, SABA KOHLI DAVÉ

The COVID-19 pandemic has been a test of the Indian state's capacity to deal with the repercussions of a public health crisis. Kerala's success, as it continues to draw strength from its political culture of participatory governance and its emphasis on social welfare, is elaborated. Some of the decentralised, scientific, and humane policy measures taken to contain the virus are also elucidated.

From a conversation with S M Vijayanand, former chief secretary of Kerala, on 14 April 2020. The School for Democracy has been conducting "Charchas," a platform created for conversations defined by the participant's concerns, for the last eight years. In a recent virtual "Charcha," Vijayanand, was invited to share Kerala's experience in containing COVID-19. The text of his conversation serves as the source and inspiration for writing this article.

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Thomas Isaac, Kerala's Finance Minister, writing in the *Indian Express* comparing Kerala's record on COVID-19 with the rest of India, says:

The recovery rate in Kerala is nearly 50% while the all-India average is around 11. While the mortality rate among the infected is 0.5% in Kerala, the all-India average is 3.4%. The transmission rate of a primary carrier is 2.6 while in Kerala it is only 0.4. (Isaac 2020)

People often say that Kerala's social indicators are so advanced that they hardly bear comparison with the rest of India. However, COVID-19 has provided another opportunity to measure Kerala with the rest of the country and to assess the reasons for its success. As S M Vijayanand, Thomas Isaac and others explain, it is the crafting of participatory governance in consonance with society, resulting in a political culture cutting across party lines that has enabled the people of Kerala to be a part of their solutions.

From being the epicentre of the novel coronavirus outbreak to rapidly "flattening the curve," Kerala has become a model in the management of the COVID-19 pandemic. There is general curiosity amongst a section of Indians to know more about the much-praised Kerala model. The Government of Kerala has, in contrast with the Government of India (GoI), handled COVID-19 efficiently, balancing equally between health security and welfare of the isolated and the often terrified migratory labour. The figures indicate that, out of a total 399 cases recorded as of 18 April 2020, 257 people (64%) have recovered so far, surpassing the number of active cases. The state has the highest number of recoveries in India. Presently, there are 67,190 people in observation,

and 504 of them in hospitals. The health machinery has tested 18,774 samples so far, of which 17,763 samples were negative (Nidheesh 2020).

Despite the Prime Minister's grand addresses to the nation, the GoI has failed to address hunger, health and livelihood issues of the poor during the COVID-19 crisis. The central government's lacklustre implementation of delivery and absence of genuine concern has acutely had an impact on millions of stranded people—migrant workers and their families, the daily wage worker, the peasant farmer, lakhs of small entrepreneurs, street vendors, the industrial worker, the skilled worker, and even the small manufacturer. Given this dismal scenario, COVID-19 and the continuous lockdown has become one more constraint, applied without imagination or compassion that disproportionately affects the underprivileged.

What made Kerala deal with the complexity of the pandemic was the state's uniquely participatory governance, nurtured through generations of cross-sectoral dialogues. The individuals and institutions who have fostered this process range from people and people's organisations like the Kerala Shashtra Sahitya Parishad (KSSP) to eminent academics, including economists, sociologists and civil servants, and many organisations of youth, women, and farmers, and unions and cultural organisations. Kerala is unique in how its governance integrates political necessity with socio-economic realities. For instance, the celebrated "Peoples Plan Movement" (1996–97) brought together social and political democratic ideals within the framework of local "self-governance" (Mohanakumar 2003). No matter which party was in power, Kerala chose to keep the welfare state as the framework to guide public policy and implementation. This contributed to the rapid increase in participatory development and much better social indicators for the state. The tradition of partnership between people and the government helped counter the COVID-19 crisis and significantly shaped the ability to address insecurity. People's partnership

underscored the government's response to the crisis.

The Kerala model of COVID-19 relief is actually built on sound principles of governance that have had historical precedence. Successive governments have strengthened welfare, especially public health and education, decentralising governance and engaging civil society. Regime changes every five years did not affect social welfare policy, as all governments were held accountable by the decentralised system. As a norm, the panchayats and the network of self-help groups (SHGs) (Kudumbashree) kept the other levels of the government in check by making sure that the benefits of government orders reach everyone.

What was most useful in the current dealings with the pandemic was the familiarity across the state, with participatory management systems. The daily interface with the administrative system trained the community, drawing attention to details, enabling it to understand its functioning and delivery potential. The local governments were further strengthened through the devolution of financial and administrative power, providing panchayats with operational control of their areas. Kerala's powerful gram panchayats reach out to a large number of people, who are part of the decision-making process. The allocation to local government this year in Kerala is ₹20,000 crore. Of this, ₹7,000 crore are untied funds, facilitating the panchayat to make plans based on people's articulated needs.

This coordination and communication between various levels of the Kerala government was integral to the relief architecture for COVID-19. The coordination across party lines made sure that this was treated as a humanitarian crisis, bringing all energies together. The pandemic was not caught unprepared like in most of the other state administrations. The architecture required to address the new set of issues needed tweaking and alteration, and the Kerala government rose to the challenge.

Contrary to the design of a welfare state that looks at the condition of the most underprivileged as central to its concerns, the GOI was preoccupied almost wholly with the containment of

COVID-19—the lockdown and quarantine. Its stated concerns implied that this was sufficient and adequate to tackle the spread of the disease. Other issues were discounted. The impact on the lakhs of workers when the lockdown prompted the closure of workplaces all over the country; the displacement of unorganised workers, who were left without shelter or food or access to money, took place at an unprecedented scale, and was not prioritised in its stated concerns. This nightmare for the workers, visible on television screens, provoked platitudes and a list of remedies in the now infamous seven bits of advice from the Prime Minister. The worker can neither follow nor be assured of any benefit from this seven-point formula (Dey and Roy 2020). Forcefully cordoned, and with their basic needs being ignored, unemployed migrant labour began walking home hundreds of kilometres resolutely, often beaten with batons by law enforcement officials ordering them to discontinue their journeys. Many lost all their meagre savings, when the buses they had hired at exorbitant rates to go home were stopped, and the migrants were off-loaded into crowded camps. The general ignorance and indifference of the establishment, and of the elite in general, was another dark moment in India's recent history.

The response in Kerala was different—helplines and community kitchens for all those who needed food were established. The combination of local government, the network of volunteers, SHG workers and persons in the civil supplies department prevented a situation of panic, curbing a situation of hoarding and overpricing in Kerala. When the novel coronavirus was first detected, the already empowered panchayats were given greater responsibility to deal with this crisis. The decentralised structure of governance enabled them to harness the strengths of the political system and leverage social institutions. In particular, the approximately 60 lakh SHGs initially created to focus on livelihood generation and also look at concerns of women's empowerment and their participation in development activities were an important part of crisis management. The state's call for public support to address the COVID-19

emergency drew two lakh volunteers. The accredited social health activist (ASHA) and Kudumbashree workers, registered volunteers, and panchayat members ensured that the benefits reached everyone.

COVID-19 Preparedness

Kerala's preparedness for the pandemic was an offshoot of its historic governance tradition of using a combined social and political democratic framework, which included dialogue with its people before putting systems of social welfare in place. Kerala's experience in dealing with two disasters in quick succession in 2018—the spread of the Nipah virus and the Kerala floods—also educated the government and its people. Many of the processes and methodologies used currently were developed from those experiences. When battling with a fatal infectious disease during Nipah, the state health department collaborated with experts from the World Health Organization (WHO) and the Indian Council of Medical Research (ICMR) and built a scientific public health management system. The shared theoretical understanding of the disease guaranteed a transformed, aware community, working with the government at all levels.

The relief response to Kerala floods, which occurred a month and a half after Nipah, displayed a combination of collective action, public duty, and care. Though flood relief is the responsibility of the state's revenue department, panchayat's and community members were spontaneous in their support for providing relief and first aid. For example, fishermen, who do not generally go inland/midland for fear of damaging their boats, voluntarily went to rescue people.

The processes and lessons learnt from handling the Nipah virus were used to build a response to the COVID-19 spread. In 2018, health professionals developed expertise in virus tracing, testing, and treatment. From an epidemiological point of view, the public health officials focused on high-risk people and their contacts, putting into place a system in 2018 to contain infection early. Additionally, the Institute of Advanced Virology was built in Alappuzha, so that testing could occur within the state instead of having to send

samples to Pune. This made testing for COVID-19 quicker and more efficient.

The network of healthcare and the infrastructure to deliver relief therefore had a tried-and-tested blueprint. By mid-January, the preparations for the eventuality of COVID-19 entering Kerala were in place, resulting in a well-oiled tiered system by the end of the month. This consisted of a middle-level bureaucracy that communicated with both the front-line workers and volunteers in the field and the top layer of the government. Rigid government hierarchies, which were, in any case, less severe than in other states, were softened in response to the crisis. Community mobilisation matured to a larger culture of “care giving” that has permeated Kerala’s history of public delivery systems. This proved invaluable in managing the coronavirus efforts.

The practical implementation and pre-planning of the government was especially visible in its meticulous tracking, testing and quarantine strategies. Kerala introduced strict quarantine procedures around 10 March 2020, long before the rest of India had woken up to the impending crisis. Those returning from abroad, including students coming back from Wuhan, were made to isolate themselves at home for 14 to 28 days, depending on whether they were high or low risk. Those in quarantine were made to register with the DISHA helpline as well as with primary health centres (PHCs), and were regularly checked on by the authorities. This process was followed strictly with no exceptions.

For the country as a whole, but especially for the states, there are lessons to be learnt from Kerala’s investment in an efficient public health system. Its success in public health management is more than evident in the fact that more people are able to access quality medical care and treatment from PHCs and government hospitals. The healthcare given at public hospitals is generally acknowledged to be superior to that in private hospitals.

Culture of Care and Tolerance

The strategies of containment of the COVID-19 pandemic in India will leave a residue of appalling stories of the

collateral damage that people are suffering, due to the central government’s skewed plan for containing the disease. The GOI organised planes to transport Indians stranded abroad to come home. Migrant and daily wage workers who have been victims of lockdowns and safety precautions have however been denied the right to even organise their way back home. They have not even demanded subsidised transport. All they have been asking for is the right to travel within the country, following all pre-conditions and precautions. “Social distancing,” better termed “physical distancing,” in crowded camps is impossible. Added to this is the constant fear that they are going to join the ranks of the unemployed and live in daily fear of family members contracting the disease or succumbing to starvation. The constant chant has been “if we have to die, we would rather be home.” It is completely reprehensible that some migrants confront xenophobia, as media propaganda has gone out of its way to link the spread of COVID-19 with an event of one religious sect, and by mischievous implication seeking to stigmatise an entire religion. The narrative in Kerala has brought reassurance that we still have some humanity left.

The Government of Kerala, with its stated and cultivated culture of compassion and care for migrants, has reassured and taken care of those worst affected in this crisis. Given the history of migration of its people looking for work, particularly in Gulf countries, the state has evolved an understanding of the privations of migratory workers. A study in 2018 showed that there were around 21 lakh emigrants from Kerala working outside India (Rajan and Zachariah 2019). The migrants in the Gulf, though better paid in relative terms, recall appalling work and living conditions. Therefore, instead of demonising inter state migrants, local Keralites understand and empathise with their suffering and understand the value of their contribution. They also understand its economics; the exodus is balanced by the influx of labour to fill the vacuum.

The state has stated and developed a framework of care and compassion, both in its policy and implementation.

This has now become a part of the administrative DNA. The centre has begrudgingly acknowledged the poor in this time of crisis, whereas Kerala has centred them in their planning, and carefully factors their concerns in tackling the public health emergency.

To begin with, far before the centre announced its plan, on 19 March 2020, Kerala announced its ₹20,000 crore relief package that included free public distribution system rations, a kit with essentials for everyone, 2,300 community kitchens, regular Anganwadi ration delivery, cash transfers, and so on. It was followed by principled public action by state, district and local functionaries. The chief minister firmly stated in his address that police excesses and illegitimate punitive measures would not be tolerated, and no person is to be treated with contempt or misbehaviour. He also said that grievances must be heard and sorted out with personal attention at the highest level. When there was dissatisfaction and restlessness, the superintendent of police and collector made visits to the agitating or striking migrant workers to reassure them in person and listen to their grievances. They communicated with a team that immediately attended to and sorted out their distress.

Kerala’s unique combination of religious tolerance and humanity, combined with rational and scientific methods to explain public action, was used once again to contest the communalisation of the virus after the highly politicised Tablighi Markaz incident (Bisht and Naqvi 2020). Governments have enormous powers to shape public opinion. While, in Gujarat, there were reports of a hospital allegedly separating Muslim and Hindu patients post the Markaz, the Kerala government swiftly and publicly stemmed bigotry from spreading (Hindu 2020). The chief minister made a strong announcement on a television broadcast and reassured the minorities that the political system would not tolerate those who aimed to communalise the incident. He also publicly detailed the procedures followed for those who had gone to the Markaz.

One of the most incredible feats of the Kerala administration was its ability to destigmatise the virus in an international

atmosphere of near hysteria. The Kerala government showed social and political solidarity during this crisis, when they publicly proclaimed that any patient from neighbouring states could come to Kerala for health reasons with adequate proof of their condition, sending a message that, in the time of an emergency, unity in fighting the infection must transcend territorial boundaries, socio-economic class, religion and other stratifications.

These humane, people-centric methods of maintaining law and order, and implementing benefits delivery with constant reassurance served to reduce anxiety and discrimination during this time of crisis.

The strong social welfare infrastructure and pro-poor focus has shown great results during this crisis. India should learn from Kerala that crises can be dealt with, only if governance is sound, participatory, and strengthens its local bodies. The argument for sustaining the welfare state in India as the basic structure in an economically and socially skewed community and polity is amply demonstrated by the investment in primary public healthcare and education to deal with epidemics and pandemics. There are many lessons to be learnt, but they cannot be absorbed without a strong political will to place people at the centre of the discourse. The lockdown has given space to many authoritarian tendencies. Decisions emanating in New Delhi, have been taken suddenly, and even arbitrarily, and passed down to the people to follow. There has been little attempt to make people true partners in the effort. Kerala, on the other hand has tried to face the challenge by trying to facilitate and launch another peoples movement against the virus. It remains to be seen if the government of India will go back to policy based on welfare, and develop a clear, transparent, and more participatory post-lockdown contingency plan. In times of crisis we need a welfare state more than ever. The welfare state infuses confidence that the government will support its people at times of greatest need. It is in this that helps them gain some measure of self-confidence, as they try to fathom the uncertain future of COVID-19, and its

continuing and disruptive effect on the country and its people.

Moving Forward

One critical fallout of COVID-19 is that governments have depended on technological databases for the distribution of basic necessities to vulnerable groups. But the pervasive use of technology for governance is a double-edged sword, and is risky if it is not bolstered by information sharing and creating accountability systems. As technology monopolises and centrally controls data and information, with impunity from scrutiny, it can be used to manipulate and discriminate. This communication is no substitute for face-to-face political and community interaction. The government may use this for further centralisation and controls impacting basic democratic and constitutional rights.

That it is no chimera is underlined by news reports that allege that the Aarogya Setu app will be installed in all smart phones by default. The app allows the collection of personal information of its users and the disclosure of this data to the government for the purposes of “medical and administrative interventions.” The institutionalisation of mass surveillance in the absence of adequate data protection laws is a matter of grave concern in the post-COVID era. The question is whether participatory systems, like the one in Kerala, will be able to resist this invasion of the political space by centrally manipulated technology. Perhaps, a new imagining of global functioning through automated single controls will affect the multiple areas that decentralised democracy has opened up for political participation.

This apprehension is further strengthened by an announcement from the GOI that the PM CARES fund is outside the aegis of mandatory auditing by the Comptroller and Auditor General, leaving the public and state governments in the dark about where the money is being spent. Similar to other state governments, the Kerala government is facing a financial crunch after its distress-alleviation measures during the COVID-19 lockdown. It has repeatedly requested the centre to disburse funds to the states.

What does opaqueness of a centralised fund portend for India’s constitutional republic, a union of states? Can any central government in a democracy abrogate such unilateral powers? If transparency is rejected by the highest elected office in the country, what message does it push down the line? As power and money get rapidly centralised, the federal structure is severely threatened. Dependence on technology often strengthens central controls. The Government in Kerala has placed welfare, which demands participation and transparency, at the centre of its administrative structure. Its resistance to this rapid potential centralisation in governance will be a test case for India to watch and learn.

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World Economy and Nation States post COVID-19

K N HARILAL

With the outbreak of the novel coronavirus, the world economy has come to a grinding halt. The economic fallout would be enormous in terms of loss in production, income, and employment. The COVID-19 pandemic has caused major ruptures in the world system, which has serious implications for global accumulation of capital. It, therefore, presents an opportunity to reimagine the global division of labour and the international economic architecture.

It is already a cliché to say that 2020 would be the beginning of a new era, which divides history into pre- and post-COVID-19 pandemic periods. The divide may not be as sharp as we see now from the midst of the tragedy. But, if the pandemic persists for about a year or so, it would have already caused enough ruptures to demand major readjustments in the way we look at the world, do things for the present, and imagine the future. The cumulative loss over 2020 and 2021 from the pandemic, according to the International Monetary Fund (IMF) projections (Gopinath 2020), would be around \$9 trillion. According to the same set of estimates, global economic growth in 2020 is likely to fall to -3%. It is a downgrade of 6.3 percentage points from the projections made just three months ago in January 2020. The World Trade Organization (WTO 2020) projects a decline of 13% to 32% in world trade in goods in 2020. Obviously, the crisis has unsettled the existing modes of exploitation and global accumulation. It, therefore, presents an opportunity to reimagine the global division of labour and the international economic architecture. Obviously, there will be a stubborn resistance to change in order to protect the status quo. But, the persistence of the pandemic would make rearrangements inevitable. The article is an attempt to map some important possible directions of imminent change.

The point of departure set here and in the title of the paper, admittedly, is a bit too ambitious. The purpose is to ensure that the big picture is not lost sight of. The issues related to the state and the economy will be examined mainly from the vantage point of global accumulation of capital. The framework of global accumulation of capital is preferred because of the overwhelming influence it would have on the shape of things post pandemic.

The idea of the global village, if interpreted carefully, would help us

characterise the present global division of labour and the underlying phenomenon of global accumulation of capital. Globalisation has shortened distances. It has scaled down all forms of policy barriers to intra-national and international movement of goods, services, capital, labour, knowledge, technology, data, and so on. As a result, the global division of labour has become extremely intense and the world highly interdependent. International specialisation and trade are not anymore restricted to final goods. Instead, the production process itself is internationalised and globalised. A final product is produced with the involvement of a large number of locales distributed across several countries. The global value chains now travel across countries and continents.

The village unlike the city, for many of us, is a place of all imagined virtues. The metaphor of the village, however, should not mislead us as to the unequal and undemocratic ways in which the global village is governed. The global village is built to further the cause of accumulation on a world scale. Even in a historical feudal village, surplus is produced and appropriated. In the global village, the mode of extraction as well as appropriation of surplus are modern and executed on a global scale. We shall return to this point later.

It is of immense significance at this point of time that the COVID-19 pandemic has caused major ruptures in the world system. COVID-19 is forcing nations to live in autarky, an unimaginable laboratory setting to reimagine international and interregional division of labour in the post-pandemic world. The crisis, therefore, presents an opportunity to delink and relink with the world system after redefining the roles and terms of integration.

Metropolitan capital would like to rebuild the world in a more unequal manner, compensating even for the loss they suffered during the pandemic. For developing nations, it is an opportunity to restructure the global architecture as well as redefine their roles in it. But, how the system would be rebuilt and who would gain or lose will depend on the outcome of the competitive struggle among different players. The intellectual community in the developing nations has an important responsibility in ensuring equitable

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outcomes in the ensuing wrangle over rearranging the world order.

Global Accumulation

Under the hegemony of finance capital, all other interests in the society are subjugated to the interest of the capital in general, and international finance capital to be specific. The interests of the finance capital are supreme and everything else follows in a descending order, that is, global monopolies, regional monopolies, and capital in general, located everywhere. The hierarchy of privileges arranged spatially from concrete locales to the abstract global had an important role in making the structure of accumulation enduring. It was good enough to unite the capitalist class everywhere.

The interstate system, through a variety of means, ensured that the nation states did not deviate from the dictates of international finance capital. In fact, the nation states, especially those belonging to the developing world, hardly have any freedom to frame their macroeconomic policies. The macroeconomic policy guidelines given by the world system governors virtually constituted the givens of the system within which they had to run the show. The nation states are required to perpetually follow a regime that nipped all possible development momentums in the bud so that the risk of inflation is minimised. Institutional investors, a euphemism for international finance capital, dreaded inflation more than anything else. Inflation and the likelihood of devaluation of the host country currency are inimical to the interests of finance capital, especially when it is parked in assets denominated in host country currency. So much so that the single most important policy priority of the nation states has become inflation targeting. The practice of monetising the budget deficit, widely used in the past by the present-day developed countries, is erased not only from policy manuals but even from economics textbooks.

Leave alone monetising deficits, the freedom to borrow is also severely constrained. The borrowing limits of governments are set by legislation (Fiscal Responsibility and Budget Management Act, 2003 in India), disregarding the stage of development and the state of the economy. It is

well known that public debt had played a very important role in economic development, and of course, development of capitalism, in the present-day developed countries. The governments are not allowed to borrow for the fear of inflation and devaluation of the host country currency.

It is as if the countries and the citizenry existed primarily for serving the interests of finance capital. Nothing is accorded more importance than the so-called investor's confidence. The austerity measures, which assumed severe notoriety, prevented countercyclical interventions. The fiscal conservatism that it entailed has severely constrained the ability to make public investment in physical infrastructure, education, research and development, national innovation systems, public distribution, public health, and so on. Incidentally, the COVID-19 pandemic has exposed the vulnerability of the strategy of liberalisation and privatisation of public services, especially public health and public distribution.

Global economic governance until recently was concerned primarily about border measures (such as tariffs, quotas, and visa restrictions) that affected international movement of goods, services, capital and labour. The process of globalisation, especially during the past few decades, has scaled down the border measures significantly. The focus of global economic governance, therefore, has shifted towards internal/domestic policies of nation states and subnational governments. The demand for coordination of domestic policies implies extension of the system of global governance into new areas. Intellectual property rights, competition policy, sanitary and phytosanitary measures, labour standards, environmental standards, government procurement, and so on, are some such areas to which the global governance system is extending its arms. In many of these new areas, the nation states are forfeiting important elements of their sovereign power to the global governance structures/supranational agencies.

Democracy in Peril

What is at stake is not just the sovereignty of nation states. It raises more fundamental questions such as that of democracy

and human dignity. The ritual of voting and election of governments is fast losing much of its meaning. The sovereign responsibility of governments is being reduced to that of ensuring the best bargain for the big investors. People of the city/country are free to raise issues they consider important such as plight of workers, peasants and small producers, poverty, environmental degradation, etc. But, the governments they elect are not free to address such questions lest it will ruffle the feathers of capital, which will fly away at the slightest of provocations.

The forces of globalisation have drained the policy space left to the nation states even in the case of internal/domestic policies. Nation states have much less space now in using border measures to restrain monopoly power of transnational firms. They can gain access in most markets without having to answer questions on their market power. Further, they can enter national markets in the form of foreign direct investment (FDI). Even in the case of FDI, the policy space available to the nation states is limited because of heightened competition among them to attract investment. In the context of such competition, interests of the monopoly capital are gaining precedence over all other interests such as that of livelihood of petty producers, labour, environment, local culture, and so on. The nation state and regional governments find it difficult to impose environment and labour standards because it will provoke capital and could drive them away. The helplessness of nation states reaches its zenith when dealing with the most volatile segment of capital such as foreign institutional investors (FIIs). National policies that disturb the "feel good factor" of the FIIs can land the country in a financial mess and possibly, also in an economic crisis.

Economic Crisis

The economic crisis of 2020 notably is of a different genre. It is significantly different from normal crises arising out of the laws of motion of the economy. Evidently, the present crisis is the handiwork of novel coronavirus. It came primarily due to the fear for life, a fear that affected every human being, the most privileged as well as the most deprived.

The world over, governments have decided to stop production of what should be referred to as the material conditions for human existence. Profit-driven atomistic agents of the market would not have been able to stop all engines of the world economy at once. The economic reality, however, has a role to play. First, the lightening spread of the disease across the world would not have happened in the absence of the very high degree of global economic integration and the consequent boom in the international movement of people. The threat of such pandemics breaking out in the future would encourage the community of nations to reorder the international division of labour so that such threats are contained and overcome with minimum damages. Second, as we see subsequently, political economy will have a bearing on the possible paths of economic recovery.

The heterodox economists were predicting the setting-in of an economic recession throughout 2019, much ahead of the onslaught of the COVID-19 pandemic. And for most of them, demand deficiency was the main villain. They have also been providing a fairly neat hypotheses on the lines of causation linking unprecedented growth in inequality of income as well as wealth since the neo-liberal turn, lower marginal propensity of the rich to consume, over-accumulation, deprivation of the poor—the majority of whom tend to spend and consume more from every unit of income, demand deficiency, stockpiling, and recession. But hardly anybody who mattered, listened. The policy orthodoxy in poor as well as rich countries as usual was worried more about possible inflationary consequences of the measures to boost demand, their dampening impact on investor's confidence and foremost, the threat of capital flight. But these are all stories of the past. At present nations are competing among themselves to announce the largest possible bounty to boost demand and revive the economy.

But, the real causes of the present crisis are not located on the demand side. The economy is shut down. All supply taps are closed by the decree of the ruling regimes. The situation is already akin to "too much money chasing too few goods." The transfer payments would help clear

the inventory build-up of the past. Once inventories disappear, most regions and countries of the world are likely to experience shortages and hence, inflationary pressure. Currency notes and other financial assets are at best claims on commodities embodying use value. Money will be worthless if it cannot command commodities that satisfy human wants. It is obvious that we cannot keep all the engines of the economy shut for too long. We should be able to start switching on the machines one by one without provoking the uncontrolled spread of the dreaded disease. The first priority should be given to the sectors producing essentials and necessities. The economy managers should have a relook at the basic conditions of human existence and try to make all-out efforts, first to produce the identified goods and services and then to ensure a fair distribution of the output. The need to have social control on both production and distribution must be emphasised here because these emergency tasks cannot be left entirely to the market forces.

By the time the lockdown is relaxed for non-essential commodities, the permission to produce and supply alone will not do. Both the supply and demand side might require government intervention to get going. It will be so even in the case of value chains not dependent on external nodes. Governments at all levels will have to be liberal in extending financial and other forms of support to revive economic activity. The moot question is whether the nation states would be bold enough to break the shackles of fiscal conservatism imposed by the global order. The fact that the world order is in deep trouble and that the developed countries are setting such examples should encourage poorer nations to emulate the leaders.

Delinking and Relinking

The present stalemate appears to be a nature-imposed shock on the mindless process of global economic integration, which catered primarily to the greed of capital at the expense of many virtues humanity has nurtured through history. Globalisation has led to the worsening of inequality in the distribution of wealth as well as income, environmental degradation, destruction of diversity

in nature as well as culture, and diminution of democracy.

Autarky is a heroic assumption used in economic theory, which is far removed from reality. But we are currently living through an interregnum of deglobalisation. It offers a great occasion to learn the art of living in relative isolation, as also to restructure the international division of labour.

First of all, it is a big opportunity to save the nation states from the clutches of international finance capital. According to the IMF, the emerging economies experienced the sharpest portfolio flow reversal to the tune of about \$100 billion in the immediate aftermath of the virus outbreak (Adrian and Natalucci 2020). There is nothing surprising about such herd behaviour of portfolio flows. They would leave the host countries not only at the time of real crises, but also on false alarms. The portfolio flows themselves are a major source of economic and social instability in developing nations.

The power of finance capital is at its lowest ebb now. Obviously, capital will lose value when kept out of circulation. This is the right time to challenge its hegemony. The FII's move out of the emerging markets to escape from a capital market crash and depreciation of host country currencies. But, once fair weather is back and as the economies limp back to normalcy, they would be back to buy stocks cheap, to pump in liquidity, to reap gains of revival, and also to gain superprofits by engineering asset price bubbles if possible; only to leave at the most opportune moment, that is, immediately prior to another imminent crash. Incidentally, their fund managers would be incessantly warning the host country against government borrowings and other expansionary policies. But, developing nations cannot afford to go back to the pre-pandemic regime of fiscal conservatism. Rebuilding the pandemic-affected economy would be practically impossible under such a neo-liberal regime. The nation states should now be open to the possibility of monetisation of deficit and government borrowings to finance recovery. The presence of unutilised capacity in the economy would ensure supply and check inflationary tendencies.

One is not arguing for a complete ban on foreign institutional investment. On the

contrary, the argument is against free and unregulated speculative movement of capital, which exposes the economies to unhealthy fluctuations, besides imposing limits on economic freedom and democracy. Unregulated portfolio flows bring in more damage than gains to the host economy. Incidentally, in spite of opening up, China has been quite stubborn with respect to regulation of speculative movement of capital. It was one of the main reasons why China could run a huge public investment programme that played a major role in their miraculous development. The new global financial architecture should ensure orderly supply of international credit without jeopardising development aspirations and institutions of democracy in the participating nations.

Like finance, the real side of the international economy also requires rearrangement. This is obvious in the case of production of basic necessities in the short run. The decision to seal borders has disrupted supply chains. It will take time to re-establish the trade links and get the goods moving. But, the current disruption of the global division of labour is an opportunity to delink and establish relatively independent ways of producing the necessities. India being an economy of continental size with highly diversified production structures is better placed than many others in managing the present period of relative isolation. It is highly advisable that India launches a massive national participatory campaign to produce the basic necessities. The national drive to produce basic necessities, including food, medicines, and healthcare accessories, can be implemented without compromising the norms of keeping safe distance. Public health experts can help formulate detailed safety protocols for various activities related to production, aggregation and distribution of commodities.

Whether the short-run arrangements for producing necessities under isolation should be sustained is an important question that would come up. Obviously, the advantages of division of labour, specialisation, scale economies and competition cannot be ruled out. Isolation, certainly, is not a panacea. What is being highlighted is the need to have a relook at the pattern of specialisation evolved

over time under unfettered globalisation. For instance, the model of large-scale, heavily subsidised, highly mechanised, and chemical-intensive models of farming involving long-distance trade and transportation of food cannot be sustained for environmental and equity reasons. At least in the case of agriculture and allied areas, there is a case for rearranging the system so that the distance between centres of production and consumption is minimised. The role of trade should be limited to bridging surpluses and deficits, if any. This will facilitate supply of fresh and safe food from the farm, protection of livelihood of small farmers, and minimising of greenhouse gas emission caused by long-distance transportation.

The threat of pandemics breaking out in the future would encourage the community of nations to regulate international economic integration and movement of people. Preserving economic diversity might help check unrestrained movement of people, which results in the spread of communicable diseases. In fact, specialisation and division of labour and scale economies play a very important role in the vertical pattern of economic development. Globalisation privileges vertical over all forms of horizontal communication. The vertical pattern promotes long-distance trade and movement of people at the expense of the local and the neighbourhood. In order to regulate this tendency, there should be efforts to check homogenisation on the one hand and protect diversity on the other. One widely deplored attribute of globalisation has been its hostility to diversity. It kills differences and diversities that need to be preserved by all means for the common good.

There is a widely-held wrong notion that the Schumpeterian creative destruction is a “natural” process and any attempt to resist it was interventionist. Here, it is important to see how nature conserves diversities. It, for instance, sustains umpteen varied habitats for conserving its rich biodiversity. A species which is dominant in one system might not survive for a minute in another. Nation states, and regions within them, were in fact acting as habitats for preserving economic diversity. Global monopolies

are in the business of breaking open such habitats by using their command over global governance arrangements. The attempts to resist such homogenisation moves cannot be more interventionist than the former.

Conserving Diversity

If nature's dynamism, which is also its liveliness, is to be sustained, what is needed is the preservation of diversity. This is true of the world of economic life also. It is high time that we realise the fact that even competition cannot survive without diversity. Further, diversity of economic life cannot be sustained without protecting diverse habitats, which nation states and other locales used to sustain. Homogenisation in the world economy does not portend well for its health.

Border measures such as tariffs, internal measures such as subsidies, and support of local governments had an important role in shaping national/local economic habitats. Multilateral trade negotiations and regional trading arrangements have considerably weakened such protective arrangements. Apart from state policy, there are many other factors, such as geography, history, culture, tastes, preferences, and so on, that go into the making of economic habitats that support diversity. A policy favouring national/local economic habitats need not necessarily be against external competition or technological change. In fact, economic diversity that we see in most countries today is the result of a long history of competition and evolution.¹ Nonetheless, it is important to be vigilant against a regime that is particularly hostile to the national/local economic habitats and the diversity it supports.² Economic policy should not discriminate in favour of transnational capital denying equal treatment to local producers and citizens.

The decision to lock down did not come from the market. Markets cannot be so wise. Similarly long-run solutions for the vulnerability to pandemics cannot come from atomistic agents driven by the profit motive. The nation states and the interstate system should necessarily take the lead and act. But, it will not happen unless pressure is built from below by way of collective action in the

neighbourhoods that is scaled up to the global level. Such global collective action will be an important feature of the post- COVID-19 world.

NOTES

- 1 Ayurveda, the thriving indigenous system of medicine in India, for instance, has a long history of resistance against discriminatory colonial policy. Same is the case of many

indigenous traditions seen all over the world that survived the test of time, technology and competition.

- 2 For instance, public works programmes funded by international agencies invariably insist on international tendering in big lots so that the work involved is large enough to facilitate foreign entry. The large size-lot of work tendered, and the experience required, pre-empt local companies from bidding. A similar experience of discrimination against local players is reported from other sectors as well.

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their context, and conclude with strategies and policy recommendations for mitigating the potential disruptions.

Key Facts of the New Indian FSC

India is very heterogeneous in terms of development across states and zones within the states, with some parts of India being similar to South East Asia in development levels, and other parts similar to that of Africa (Pingali et al 2019). The characteristics we note here are averages, and there is a variation around these averages.

Dominance of purchased food: Of all the food consumed, 92% is purchased. This mirrors the great importance of FSCs for India's food security. We obtained this 92% as follows:

(i) Of all the food consumed in India, 60% is consumed by urban consumers. This is calculated from the National Sample Survey Office's (NSSO) 2011–12 data on food consumption per capita in urban and rural areas, in value terms. Essentially, all the food consumed in urban areas is purchased, since almost all urban households are net buyers of food. Note that this exceeds the urban population share because the level of food expenditure per capita is higher in the urban than in the rural areas. There are various estimates of the urban population share in India. The official one is 31% based on the 2011 Census. Onda et al (2019) estimate the share at 43% using a community-detection clustering algorithm to construct urban agglomerations for all of India. Whatever the estimate be, it is below the urban share in the overall food economy (purchases plus own production).

(ii) Of the 40% of India's food that is consumed in rural areas, 80% (in value

COVID-19's Disruption of India's Transformed Food Supply Chains

THOMAS REARDON, ASHOK MISHRA, CHANDRA S R NUTHALAPATI, MARC F BELLEMARE, DAVID ZILBERMAN

COVID-19 has created high transaction costs and uncertainty in India's transformed food supply chains, putting food security at risk as 92% of food consumption in India is purchased, predominantly from the private sector. Government faces the challenge of marshalling resources between mitigating the impending food crisis and containing the contagion as the risk of sociopolitical tensions looms large. It is recommended that the government concentrate on sustaining the food supply chains towards eventual rebound, recognising that government food distribution cannot replace even a tenth of the market.

COVID-19 is spreading through the developing world and has not spared India. In response, the Indian government has imposed rigorous lockdown regulations, which have an impact on all aspects of the economy. How will the COVID-19 affect food supply chains (FSCs) in India?

To understand the impacts of COVID-19 on the Indian FSCs, it is crucial to start by considering some surprising realities of the new Indian FSCs. There has been a deep and rapid transformation that has shifted the FSCs from being "traditional" to largely "transitional" in just two decades, making India one of the fastest changing agrifood economies in the world. The Indian food economy now is mainly urban, fed by long rural–urban supply chains. It is now 80% composed of non-foodgrains and thus fed by perishable FSCs, 60% post-farmgate, and 85% dependent on small and medium sized enterprises (SMEs) that are dynamic and clustered near and in towns. It is 96% dependent on the private sector (with government managing only 4% of India's food). It is characterised by highly integrated rural hinterlands, peri-urban and urban areas, having tight and fluid connections in both directions.

These facts about the new Indian FSC are a "reality check" relevant for the debate on the pandemic's implications for India's FSC. Thus, we begin with an account of these key facts, then hypothesise the impacts of COVID-19 in

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terms) is purchased (while the rest is home-produced on own farms). This 80% figure is a conservative estimate, which in turn is a simple average¹ of two estimates: the first is 84% in rural areas, based on NSSO 2011–12 (GoI 2013); and the second is 75% from the survey villages of the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), which tend to be in the “poorer than average” semi-arid zones (Kumar et al 2019). The high share of purchases in overall food consumption in these poor villages shows the high dependency of even the hinterlands on the food markets.

Thus, India’s FSC in terms of the purchased food market is enormous. Using the food balance sheets of the Food and Agriculture Organization Corporate Statistical Database (FAOSTAT) for a rough estimate, one finds that India produced 1.224 billion tonnes of food in 2017, exported 35 million tonnes (or 2.8% of its food output) and imported 29 million tonnes of food (or 2.4% of its food output). Ninety-two percent of 1.224 billion tonnes, that is, 1.12 billion tonnes of food, constitutes the purchased food market of India.

Private sector-dominated purchased food markets: The private sector sells 95% of all purchased food, while only 5% comes from the government via the public distribution system (PDS). Overall, the government plays a tiny direct role in national food security (in terms of distributing food). This implies a very limited capacity of the public sector to “replace” the private sector in supplying food to the Indian consumers.

We estimated the 5% share of the government² based on that: (i) the PDS bought 27.6% of rice and wheat output in 2017–18 (Mann 2018), (ii) rice and wheat constitute 74% of all foodgrain output (Tiwari 2020), (iii) foodgrains constitute 21.5% of all food consumption (in value terms) as per the 2011–12 NSSO survey, and (iv) PDS supplies 4.8% (rounded to 5%) of the food consumed in India (with $4.8 = 4.4/0.92$).

Post-farmgate dominates FSC activities: Sixty percent of all FSC activities are post-farmgate. We calculated this from

the data on the share of farm production in the final retail prices, obtained from existing empirical studies of rural to urban FSCs and weighted the product-specific findings by the shares of grains versus non-grains in total consumption. For example, Reardon et al (2012a) show that the share of post-farmgate segment in total consumer price of rice for supply chains to Delhi is 35%, while for potatoes, it is 70%. A consumption-weighted average gives 60% as the post-farmgate share.

SMEs dominate FSCs: Between 72% and 83% of food consumed in India is handled by private SMEs.³ The SMEs are in wholesaling (both on-market in *mandis* and off-market in rural towns), processing, logistics, retailing (for example, *kiranias*, *haats*), and food services (such as small restaurants and street meal vendors, or *dhabas*). These SMEs are proliferating very fast, often in spontaneous clusters as part of supply chains to cities, such as the dynamic clusters of potato cold storages in Agra serving the Delhi market (Das Gupta et al 2010) and in several zones of Bihar, serving the Patna market (Minten et al 2014). The food system related SME sector is especially important to Tier 2 and Tier 3 cities and rural towns that constituted 58% of the urban population in 2011 (Tripathi 2013).

Moreover, the SMEs in the FSCs provide self-employment to large numbers of people and extensive casual employment for day labourers for loading and unloading the produce from trucks and carts in *mandis* and *haats*, for workers in numerous small mills and warehouses, and so on. The SMEs have higher labour/output and labour/capital ratios compared to the large firms. Moreover, workers are in dense sets in the workplaces. There are multitudes of domestic hired workers, shopping and cooking for millions of Indian urban homes, commuting in from towns or poor districts (Jain and Mishra 2018).

There is an emerging modern sector of supermarkets (Reardon and Minten 2011; Sutradhar et al 2019), fast food chains, and large processing firms (Nuthalapati et al 2018). While India’s modern food sector is among the fastest growing in Asia (Reardon et al 2012b), it has a relatively small share of the overall

food economy, constituting 10%–20% of the volume of FSCs in India. While a given large firm employs many salaried employees and day labourers, these firms tend to have lower labour/capital and labour/output ratios than the SMEs. Thus, the employment effects of the variation in their operations per tonne of food are less than those of the SMEs, and far less in the aggregate.

High share of perishables in FSCs: According to the 2011–12 NSSO data, only 21.5% of all the food consumed in India (in value terms) is foodgrains. This is 25% in rural areas and 19.2% in urban areas. Thus, 78.5% of India’s food consumption is of non-grain, mostly perishable products like vegetables, milk, fish, chicken, edible oils, and fruit. The implication is that nearly 80% of food supply is via supply chains of products with short shelf lives that need to be continuously replenished.

Rural–urban food and labour market integration via FSCs: Rural households are closely linked (directly and indirectly) to FSCs and, at the same time, highly integrated with towns and Tier 1 and Tier 2 cities, and farms rely on labour markets. Several points regarding rural employment stand out that are important for our theme.

Rural areas are densely populated, with a large share of these areas being peri-urban as well as close to and linked with “corridor zones.” The latter are where large highways cross rural areas, creating strong “magnetic” linkages with the swaths of rural areas around (Bhalla 1997). The high population density in rural areas in India and Bangladesh is striking. For example, 80% of rural areas in Bangladesh were classed as “peri-urban” based on density measures used across countries in a pan-developing region employment study by the International Fund for Agricultural Development (2019). While we could find no comparable calculation for rural India, there is ample evidence that peri-urban areas are a broad “urban shadow” (Sharma and Chandrasekhar 2014) and cover an important share of rural areas. For example, 37% of new census towns declared in 2011 are concentrated around major metropolises (Aijaz 2019).

Rural households depend for 61% of their income on rural nonfarm employment (RNFE) based on NSSO 2011–12, while 39% of their income is from agriculture. In the past four decades, the share of agriculture in rural incomes has declined from 72% to 39%; the correlate is that RNFE has increased from 28% to 61% (Chand et al 2017). About 88% of farming households rely on some RNFE (Chandrasekhar and Mehrotra 2016).

We posit that a substantial amount of RNFE is linked directly to the FSC (in agrifood wholesale, processing, logistics, retail, and food service) or indirectly to FSCs (in logistics and other services). We were not able to find a study with the specific shares of RNFE to these sub-sectors, but the importance of the food economy in rural areas and towns would suggest the link between RNFE and FSC. However, this point should be tempered by the findings of Lanjouw and Murgai (2009) that RNFE employment is not statistically significantly correlated with local agricultural yields but is more strongly correlated with proximity to urban areas.

A large share of RNFE comes from commuting between rural areas and towns (Chandrasekhar 2011). Shocks to the FSCs in towns (such as those that we argue are produced by COVID-19) reverberate into the livelihoods of large numbers of rural households (Dsouza et al 2020) that supply labour to the FSCs in the towns.

Farmers depend on (largely landless) farm wage workers for a third of the labour for their farm. Some of these workers commute from local towns to rural areas, while the rural landless depend partly on farm wage labour. We estimate from NABARD (2018) that agricultural wage labour constitutes roughly 32% of rural incomes in 2016–17.⁴

COVID-19's Impacts on FSCs

In light of the aforementioned characteristics of the Indian FSCs, we infer that COVID-19 will not only affect the overall FSC, but also its distinct segments differently.

Effects on food security: COVID-19's most important effect will be on national food security via its effects on the FSCs,

as 92% of food consumed in India is purchased from FSCs. There is very little “subsistence enclave or refuge” that will be outside of the market effects.

It will have other system-wide effects such as food price inflation and related social unrest that will undermine FSC and, thus, food security in the short term and productivity investments in the medium run. Higher food prices are, in turn, likely to signal impending shortages. These effects can compound each other in a vicious cycle that is likely to cause social unrest (Bellemare 2015).

Post-farmgate effects: Most of its effects will be on the post-farmgate FSC—the firms and workers in the midstream wholesale, processing, and logistics segments, and downstream in retail and food service—and much less on farms and farm workers. This is for reasons rooted in the FSC facts as mentioned above: (i) 60% of the FSC and, thus, the formation of food prices and FSC employment come from post-farmgate activities; (ii) post-farmgate activities tend to be clustered in peri-urban rural areas, towns, and secondary cities in areas close to farm areas. Given the properties of COVID-19, which is transmitted most easily via human contact, greater population densities tend to facilitate its spread; and (iii) post-farmgate activities are dominated by large numbers of SMEs that tend to operate in de facto, spontaneous clusters or in dense enclosed areas such as mandis, while farms are spread out by comparison.

Effects on downstream SMEs: COVID-19 will have its greatest impact on the SMEs in the downstream segments of retail and food service. Recall that 92% of Indian food consumption is purchased, and 80%–90% of purchases are from these SMEs. From the perspective of operations and marketing, downstream SMEs are labour-intensive, with high densities of workers in small spaces. They have little control over the hygiene practices of their product suppliers or customer habits and crowding. In contrast, large firms face a lower risk of clients and employees contracting the disease as they can enforce hygiene practices and

control the flow of entering customers and implement social-distancing measures.

SMEs lack essential tools that supermarkets and fast food chains have for assuring the continuity of access to products and enforcing the hygiene procedures among their suppliers. Large firms use direct purchase arrangements (minimising the middlemen), distribution centres, contracts, private standards, and specialised wholesale agents, to assure supply continuity and hygiene practices. In contrast, the SMEs must go to the mandis and jostle among many in the auctions and rely on spot market transactions.

After the food safety and disease shocks in the FSCs internationally, it is common to see a consolidation; examples are the avian flu in Egypt (Dixon 2015) and dairy food safety in Brazil (Farina et al 2005). The less competitive SMEs often exit the market because of the initial income shocks and investment requirements to re-enter the market and meet more stringent food safety and biosecurity regulations. There is likely to be an acceleration in the shift towards e-commerce both for retail and for restaurant delivery. This appears to be already emerging in India (Mukherjee and Malviya 2020) when stay-at-home regulations are in place. It is likely that consumers will not fully return to prior buying habits. E-commerce firms and supermarket and fast food chains, and delivery services may see an acceleration of their displacement of the kiranas and the dhabas.

Effects of midstream SMEs: COVID-19 will also strongly affect SMEs in the midstream segments of wholesale, logistics, and processing. It will have less impact on large-scale processors.

The line of argument for wholesale and logistics is similar to our points about retail. The mandis will be under strong constraints, particularly to the extent that logistics controls are enforced for truckers and rural field brokers (Biswas 2020). The implementation of these constraints will probably be more rigorous in the Tier 1 and Tier 2 city mandis and the main highway routes. However, huge mandis like the Azadpur mandi in Delhi and Vashi mandi in Mumbai usually

receive tens of thousands of trucks and other vehicles per day. A full stoppage may be impracticable. Mobility is also likely to be less controllable in the rural wholesale markets in villages and small rural towns.

The processing SMEs, such as the thousands making *atta* and *achar* will be faced with the same challenge as the kiranas and the dhabas. They tend to be in dense clusters with strong vulnerability of their employees' health, markets to kirana stores that usually source from them, and face uncertainty of access to ingredient supply chains. Again, large processors are in a better position as the latter tend to have their own logistics operations and stocks of ingredients in warehouses to tide them over. They also produce packaged goods that may be perceived as more hygienic and storable by consumers.

Effects on farm sector: The direct effect of COVID-19 on farms is likely to be limited. Because farms are relatively spread out, the human density inducement to COVID-19 spread will be less than in the cities. However, as noted above, India's rural areas are far denser than other regions suffering from COVID-19; much of the rural areas is in fact a peri-urban dense area (Pingali et al 2019), so COVID-19 spread may still occur in farm areas.

However, the indirect effect of COVID-19 on farms is likely to be substantial, through several channels. First, COVID-19's main effect on farmers will be through constraining effective demand from consumers via the constraints on the midstream and downstream of the FSC and because of reduction in consumers' real incomes in the crisis. The effect will be strongest on perishable products such as milk, fruits and vegetables, and fish and chicken, which require more handling and are more income-elastic in demand. Second, its effects on the midstream of input supply chains such as fertiliser and seed will hurt farmers.

Third, COVID-19 could affect farmers' access to labour. While most farm labour (70%) is own labour, recall that 30% of farm labour is hired. The flow of hired workers from towns to villages or across

villages may be constrained by mobility restrictions. That would accelerate a long-term trend of farm wage increase, inducing accelerated mechanisation, which would affect the landless.

However, if urban economic conditions rapidly deteriorate with the crisis, urban workers may return to family villages and swell the farm labour ranks. That would depress farm wages and depress the incomes of the landless. The effects will be more pronounced on rural women, since 39% of rural women work in casual non-farm jobs (Dsouza et al 2020).

Fourth, COVID-19 will likely reduce RNFE, hurting the households of both farmers and the landless. Recall that as per NSSO 2011–12, RNFE forms 61% of rural incomes in India, and that much of RNFE is linked to the FSC directly or indirectly. RNFE is important to fund food purchase as well as farm input purchase and will thus affect food security and medium-term productivity of farms.

Effects on informal sector: COVID-19 will have a massive impact on the incomes and jobs of millions of informal sector workers in the rural and urban areas. These workers are with no formal safety nets. We showed that half of rural employment is in RNFE, and half of that is commuting, involving daily or weekly commuting that can be stopped or constrained by mobility regulations. Masses of informal male and female workers operate hundreds of thousands of agri-food SMEs that provide 80% of India's food, and depend on mandis and haats, and on continuous movement as hawkers, as kiosk operators, as dudhyas and dhaba waiters, and day workers loading tens of thousands of trucks in the great mandis of the land. They are, along with the farmers, the food system heroes, but themselves live hand to mouth.

Policy Implications

Policy responses for mitigating COVID-19 will create economic hardships. Enforcing social distancing and limits on internal and external logistics in FSCs, will transform health risk problems into income and employment risks, and political risks.

Policy challenge: In the short term, millions of FSC businesses will face lower foot traffic, lower incomes, and substantial unemployment. In the medium term, COVID-19 impacts on these segments may be like the past episodes of avian flu in South East Asia in the 2000s, which induced concentration, leading to rapid increases in market shares of large processing firms and supermarkets.

The above means that the government is juggling with three challenges: (i) reducing COVID-19 with health measures such as movement restrictions and hygiene investments; (ii) supporting FSC's output and employment in the face of movement restrictions linked to health measures; and (iii) marshalling scarce government's resources to implement the first two as fast as possible, given the ascending social and political tensions attendant to food price increases, job losses, and the diseases.

Policy recommendations: How should the Indian government respond to minimise supply chain disruptions and fallout from lockdowns and other restrictions? The general strategy must be two-pronged: (i) implementing robust public health measures to slow the spread of disease; and (ii) addressing food security impacts, particularly the potentially enormous effects on income and employment.

Recall that, of the enormous volume of food consumed, the Indian government directly supplied only 4% of it. It is clear that even if the Indian government doubles its sales or even transfers of food, it has the capacity of covering 8% or just one month of the food market. It is probable that the "burn down" rate of COVID-19 and the disruption in the food economy will last much more than one month.

Our key recommendation is thus to not start with the idea of government emergency supplies replacing the market, but rather focusing on how to combine health measures with strategies to make the market work, and helping the FSC heal and rebound. That is the only way to avert a food security and employment crisis.

Addressing the FSC issues will require three complementary policy paths.

Implementing new, broad safety nets for the SMEs and workers in the midstream and downstream segments of the FSCs is necessary in the short run: (i) for the SMEs, especially in the midstream and downstream, the government could provide immediate support to meet rents and energy and water input needs and labour bills, (ii) for the consumers, the government could provide direct income support for the neediest to meet rents and buy food and energy, indirectly helping SMEs because it will enhance demand, and (iii) for the workers, the government can also establish cash-for-work schemes to employ workers to distribute emergency food rations, to upgrade sanitation in wholesale markets and wet markets, and to maintain essential operations in their own enterprises so that these will exist when the crisis passes.

While food distribution should be mostly through the private sector, we recommend that the government monitor hotspots requiring emergency food distribution, and public action can augment private sector supply channels in those areas. In the short and medium term, it is crucial for the government to make sure that logistics services are left free to operate smoothly. Where there are shortfalls in logistics capacity, the government should augment it.

The government should monitor and regulate wholesale markets, retail wet markets, and processing clusters more strictly, and urgently upgrade and redesign their sites for improved health practices. It should establish clear mechanisms to monitor, implement and enforce the emergency programmes.

Finally, the government needs to make long-term investments to help the SMEs change their hygiene practices and provide better site designs for mandis and small business cluster districts that will enhance health while helping them remain competitive.

NOTES

- 1 This average share abstracts from distinctions over net food sellers, net buyers, autarkic, and landless.
- 2 PDS supplies 5% of the food consumed in India (4.4/0.92).
- 3 We arrive at this figure based on the estimates that (i) 80%–90% of the volume of purchased food is handled by the SMEs and 10%–20% by

supermarkets (Nuthalapati et al 2018), (ii) purchased food is 92% of all food consumed in India, and (iii) 96% of purchased food is sold by the private sector, and 4% by government.

- 4 NABARD (2018) reports shares of income from different sources for farm households and landless. Casual (daily wage) labour (from two components, agricultural wage labour and non-agricultural wage labour) constitutes 34% of farm households' income, and 54% of landless households' income. The former are 48% of the nationwide sample and the landless are 52%. The overall casual labour share is 54%. NABARD did not break this down by the two components. We, thus, roughly estimate agricultural wage labour's share in total rural income by multiplying 54% by 75%, which is the share of farm households engaged in agricultural wage income based on NSSO (GoI 2013). We realise this is a rough assumption. But it produces a share for agricultural wage labour in rural areas nationally of 32%. This may be close to correct as Lanjouw and Murgai (2009) show for the employment share (not income share) 30% for all India from agricultural wage labour.

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Continuity of Madness, the Border, and Partition of India

SRISHTEE SETHI

But once in Lahore, now Pakistan, Manto was inconsolable. “Despite my best efforts,” he writes, “I could not dissociate India from Pakistan and Pakistan from India.” (Sethi 2012)

What was such a writer—one who saw maddening continuities where borders had been drawn—to do? The dismay and perplexities that Manto faced articulated above by Ali Sethi in the “Seer of Pakistan” and the subsequent revisiting of Manto’s work such as the “Siyah Hashiye” (“Black Margins”) are a glimpse into the emotional expedition through the travails and toils of partition.

This emotion resonates with several more people than who readily admit to it in present-day India. Grief, sadness, angst and madness are words that are often used to describe partition, its journey, rehabilitation, essentially the entire process of division. All stages—the before, during and after partition events—are highly charged with layers of experience, representation, misrepresentations, anger and biases. Furthermore, the obvious symbol of an oracular past, partition enables revisiting the idea of secularisation of the mind and the “madman” as the symbol of social disorder, which was framed in the last few centuries. Madness now can be used as a metaphor, both in its tragic and pejorative connotations as is discussed in the essays within this volume.

This timely collection of articles serves as a potent dive into an extremely complex event of South Asian history especially in the disciplinary boundaries of psychology, making excellent overlaps with sociology, anthropology and social science in general. The partition of 1947 is knowingly an emotive yet impervious space to tread on with a vacuum that has survived through 70 years of lived experiences. Obvious gaps around the

BOOK REVIEWS

The Psychological Impact of the Partition of India edited by Sanjeev Jain and Alok Sarin,
New Delhi: Sage Publications, pp 260, ₹850 (hardbound).

understanding of syncretic languages, sociocultural belongingness, nostalgia and, as some may say, a severe case of fratricide have remained.

The alternating usage of terms such as violence and brutality and a single brushstroke usage of the term madness, provide the levy to ignore treatment of such occurrences and events much as the madman was left ignored. As this volume will highlight, psychiatry remains under-applied and little has changed since partition in the context of social turmoil, especially in India. The editors address this vast chasm present in research within partition literature and pronounced silences in the aftermath of partition on mental health, trauma and the overall discourse on psychiatry. This silence and inherent chaos also continued through the years after partition incalculably where the collected essays of this edited volume present accounts on institutes such as mental hospitals, asylums, prisons, psychiatry practices, statecraft, medical services and civic life before, during and immediately after partition. Arguably, an essential insight into this specific period of history where the volume assists by breaking down archival material, psychological perspectives and specific institutional explorations brings to the fore the terrains, trajectories and tribulations of the partition of 1947 that were thus far unknown.

Partition–Psychiatry Interface

The volume presents a vital and hitherto absent rhetoric by exploring the disruption in medical services and the shutdown of active engagement with asylum patients

during partition that speaks not just to the practical dimensions or everyday life but also the metaphorical expansion of “madness.” It is evident through the streets and political offices of both newly created Pakistan and India, as well as through repeated reference to Toba Tek Singh, a Manto classic throughout the length of the text and the supposed nirvana of the character of Bishan Singh on no-man’s land.

Each subsequent article in this edited volume disentangles further the partition–psychiatry interface. Sanjay Jain’s article as an instance revisits nationalism from a psychological and social behavioural perspective explaining the years leading up to the retreat of colonisation. There is enough there to get reoriented into the partition narrative by understanding the non-physical responses. The reference to the UNESCO report on applying psychological principles to the partition of India unravels the intricacies of the systemic social distancing and violence during partition. This article also importantly highlights the “rosy optimism of the post-colonial projects” and the “jolts of realpolitik” reinforcing notions of the other for upcoming years thereby concretising borders through space and mind.

The significant unpacking of terminology in this volume is expedient insofar as trauma, individual autonomy, episode of madness, psychopathology are concerned. This connotes metaphorical as well as theoretical overtones necessary for a nuanced understanding of partition as an event, syndrome, episode and for some a historical convulsion. The essays provide a chance for philosophical and psychosomatic remembrance while diving deep into the inconspicuousness and intricacy of violence, loss, recovery, rehabilitation, border-drawing and imagined community that have thus far been absent from the disciplinary literature on partition.

The topics of the essays are diverse but thematically linked to partition, its implications and specifically its subconscious/psychological impacts. For instance, in the essay titled “Anger Is a Short Madness,” authors Gopa Sabharwal

and Anjana Sharma reflect upon deep inner individual conflict that Gandhi went through and his intense emotional and bodily reaction to the “fratricidal communal division.” The partition period, therefore, has drawn the analogy with mental health, with a disease, in which Gandhi as a physician is increasingly overwhelmed by a new pathology of a form that escapes both diagnoses and, even worse, possibly a curative treatment.

Social Trauma

It compels us to consider that Gandhi himself was a victim of trauma and turbulent emotional upheaval, something rarely unpacked within the partition narratives. Gandhi remains its victim both philosophically as well as medically. The repeated effects of “this fratricide” engulfed his body and mind (the disturbances to body politic are not external to Gandhi and the strain more psychological than physical) as indicated in the essay by Sabharwal and Sharma. The authors realistically highlight “the trauma of the partition, the neurosis that it endangered, the trajectory of hatred and violence that it unleashed.” The distrust that was built in institutions such as the police and army during the time remains till date and the syncretic composite subcontinental culture now lays at rest with Gandhi.

Ayesha Kidwai, in the essay “Are We Women Not Citizens? Mridula Sarabai’s Social Workers and the Recovery of Abducted Women,” shifts our attention to the quintessential yet under-researched aspect of gender violence as traumatic and symbolic brutalisation of women in partition. A vital question this article poses is whether women activists or social workers became cronies of the state with its patriarchal inklings that almost always leave the emotions of the women unattended and disregarded during this tumultuous time. The writings and work on the recovery of women during partition have been vastly layered with privilege, hierarchy and political class. Besides, the absolute absence of narratives and challenges of the socially stratified communities of the time especially lack voices from within.

Similarly in the essay “The Rhetoric of Violence: Cultures of Affect in Resistant

Nationalism and the 1947 partition,” Sukeshi Kamra uses rhetoric as a significant part of the scene of violence that defined partition. While she shifts our attention to the rhetoric that was evident from the 19th century to the independence including the rhetoric of populist nationalism—“the language of disease”—she furthers the meaning of shared trauma and how it depends on collective processes of cultural interpretations. As is evident from partition both individual trauma (one that was repressed, denied and brought pain into the consciousness) and collective trauma which was symbolic (stories and characters created for framing) were present then and are present today in the shape of intergenerational trauma, I would argue.

Why partition was not historicised in the way colonialism was and thereof the absence of partition as a problematic in the national and collective consciousness remains a significant question raised by Kamra. Furthermore, what is left of partition history is almost a liminal reflection of an “oracular past,” an attempt at “erasure of the past” and the “difficulty of undoing it.” Kamra states vehemently that assimilating partition in the mainstream would mean “rupturing cherished notions that anchor national identity the lynchpin of which is independence.”

Thus, the praxis of violence and interpretation of psychological trauma (including intergenerational trauma) is never outside the historical context. The mental and physical trauma of individuals and its implications for people who not only underwent immense distress on account of the dislocation and separation but also faced the violence of the worst kind as a result of partition is most obvious but overlooked. As highlighted through the essays cohesively, we find the gaps in literature addressed insofar as lived realities of victims, institutional changes, rehabilitation and other challenges of partition that had remained on the fringes. A significant understanding of the psycho-social dilemmas, the dysfunctionality of institutions such as the prison and mental asylums, personal experiences of partition, and

its emotional aftermath are extensively covered through this volume.

The unaddressed emotionality of partition witnesses leads them to a point of no return. Are they, therefore, in fact, living as schizophrenics? The angst, the psychological trauma of displacement, bordering, social and ideological underpinnings of the people who lived through it all, need to be discussed for the wounds to heal. Many who faced the turmoil have passed on, but the question of transgenerational effects is a vital one. The volume, therefore, paves the way for more research within post-traumatic stress disorder and unpacking of the incessant cycles of violence, grief and guilt. Can the discussion and analysis of partition move beyond the binaries of religion, countries and communities providing room to study the human mind which in fact may transcend borders of difference, intolerance, violence that the society presents all too often.

Thus, in this contemporary polarised world one is forced to reflect on Gandhi’s anguish on the uneven borderlines drawn in 1947, marginalisation from the discourse of the nation and untold stories of belongingness since they do not align with the imagined statehood in India or Pakistan. As expressed in the present volume, Gandhi remains like Manto’s fictional character—a citizen of no country, stateless and permanently in exile as we enter the 74th year of independence.

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Impacts of Stereotyping on the Criminal Justice System

VIJAY RAGHAVAN

Labelling theories, which emerged in the 1960s and 1970s in criminological studies, emphasised that deviance is not an inherent category but a socially constructed one, whereby the majority communities or the “social audience” (Becker 1973) label the behaviour of minorities as deviant, which leads to how crime and criminals are defined. Tannenbaum (1938) first spoke about the labelling of criminals through a process of “tagging,” which led to their further criminalisation. Lemert (1951) introduced the concept of primary and secondary deviance. Everyone is a potential or a primary deviant, but the process of labelling, identifying, self-identifying, and “dramatisation of evil” by criminal justice agencies, media, and civil society leads to secondary deviance. Once labelled, the social stigma (Goffman 1963) as a consequence of the institutionalisation process makes it difficult to exit the system, and the person is forced to lead a life of crime. In this context, the stereotyping of communities on the basis of caste, class, gender, or race plays a significant role in the labelling process, and leads to the over-representation of minorities in criminal justice statistics and institutions.

Shadows of Doubt: Stereotypes, Crime, and the Pursuit of Justice, by Brendan O’Flaherty and Rajiv Sethi, makes an important contribution to the understanding of how stereotypes are implicated in the working of the criminal justice system in the United States, and how they have made an impact on social justice. The book makes a deep dive into the decisions made by offenders, victims, police, prosecutors, judges, and jurors on the basis of the limited information they have access to and under severe time constraints. It attempts to demonstrate, and with some degree of success, the role that stereotyping plays in making quick decisions as stakeholders try to

Shadows of Doubt: Stereotypes, Crime, and the Pursuit of Justice by Brendan O’Flaherty and Rajiv Sethi, Cambridge: Harvard University Press, 2019; pp xi + 372, \$27.95.

commit, prevent, or punish crimes. The book starts with an introduction, followed by 12 chapters and ends with a conclusion chapter titled “Hope.”

In the introduction, the authors map the landscape of the book. It places the fact of over-representation of minorities in American prisons at the centre of the discussion, but goes beyond the big picture to highlight some interesting elements. It draws the attention of the reader straightaway to the meat of the arguments in the book; for example, by pointing out that, with respect to property offences, black arrestees are twice as high for robbery as for burglary or theft, thus forcing the reader to want to know more about this nugget. This is explained by the authors by pointing out that burglary and theft do not involve face-to-face contact between the offender and the victim, thereby reducing the chances of falling back on stereotypes; on the other hand, robbery involves face-to-face contact and, therefore, stereotypes about race, physical build, age, and sex come into play while making decisions about, for example, who to victimise and whether or not to resist the offender. The book is full of such insights, drawn from literature and secondary data, about what makes people behave or act the way they do, and how and why they behave or act in that manner in matters relating to crime and justice. The chapter introduces the reader to the concept of disparate treatment (differential treatment of members of groups without good reason) and disparate impact (policies that have an impact on members of groups differentially), which the authors refer to throughout the book. The authors attempt to analyse whether over-representation

or discrimination is an outcome of disparate treatment or disparate impact.

Stereotyping and Race

Chapter 1 introduces the concept of stereotyping and highlights the different ways in which stereotyping of people can be identified: self-reports, implicit associations, snap judgments, interracial contact, incentives, location stereotypes, essentialism, and racial stigma. In Chapter 2, the authors do a general discussion on crime and classify crimes into two categories: crimes of appropriation and crimes of destruction. They further analyse the crime rates across these categories over the decades, based on the Federal Bureau of Investigation’s Uniform Crime Reports (UCRs) and National Crime Victimization Surveys (NCVSS). They also analyse arrestees and victims across the two categories on the basis of race and colour. Chapter 3 takes a close look at robbery as a crime category and highlights patterns in the crime data, frequency of occurrence over time, use of violence, profile of victims in terms of race and involvement in illegal activities, and chances of arrest of offenders and the reasons thereof.

Chapter 4 looks at murder crimes and provides useful insights about the phenomenon; for example, people kill in order to avoid being killed. Fear of being killed with impunity increases the chances of taking pre-emptive action, leading to the killing of the opponent. This has major implications on the chances of blacks and whites engaging in violent acts. The authors assert that if the courts act more leniently with whites than with blacks when arrested for homicides, it may spur persons seeing lesser chances of getting justice taking the law into their own hands. The chapter also takes a look at the rates of solving murder cases in terms of race, that is, the rates of solving murder cases of white versus black victims and its impact on propensity to engage in violent acts leading to murder. The ability to access guns and lawyers, and its link with murder rates and geographical variance in murder rates is also well analysed in this chapter.

Chapter 5 is about public action or, in other words, actions by public officials in

response to crimes or alleged violations of the law. Public action may involve two kinds of discrimination: discrimination by individual officials or discrimination embedded in the system. In trying to understand discrimination by the criminal justice officials and the system, the authors look to another sector to understand this on which sufficient research exists: the employment sector. Disparate treatment discrimination occurs on account of discrimination by the public official concerned, either out of racial bias or due to stereotyping, for example, a police officer mistaking a person reaching for the car dashboard to take out their driving licence for pulling out a gun, and firing at the person in self-defence. In disparate impact discrimination, the organisation maintains a policy that adversely affects members of a particular group. The question to be asked here is: Are members of a particular community disproportionately harmed by the policy or practice? For example, the authors point out that the crack epidemic in the 1980s engendered a largely punitive response, whereas the opioid epidemic in the 2010s has engendered a response that includes a treatment component and investment in harm reduction technologies.

Chapter 6 analyses police stops as a crime reduction strategy. One way to detect discrimination in the stop-and-search strategy is to apply the hit-rate test or, in other words, compare the contraband recovery rates across groups to infer whether different standards of suspicion were indeed applied. For example, four-fifths of pedestrian stops in New York between 2008 and 2012 were blacks and Hispanics who constitute half of the city's population. This led to a weapon recovery rate of 2.5%, 3.6% for Hispanics and 11% for whites. Highlighting the issue of racial profiling, another study found that a mismatch between the officer's and the motorist's race increased the likelihood of a search. The chapter concludes that a programme of widespread, low-threshold stops does not produce any miracle of crime reduction and, contrary to what many believe, there is no discernible trade-off between fairness and safety. The authors assert that racial profiling is harmful as it

makes people realise their inferior social standing and expresses the underlying injustice of racism, otherwise defined as expressive harm.

Law and Justice System

Chapters 7 and 8 are about use of force and lethal use of force, respectively: the manner in which it is done, the conversation that takes place during the use of force, and the issue of trust which plays a crucial role in terms of how the encounter plays out. The authors highlight that police-related killings, both of civilians (by the police) and police personnel (killed in the line of duty), in the us are amongst the highest in the world. Chapter 8 analyses the reasons for the same and points to factors such as the easy availability of guns in American society, the use of kevlar (the fabric chest-guards invented in the 1960s) as protective gear, the impact of the fear of getting killed, the nature of police-civilian contact, geographical variance in killings, and the impact of mutual fear in cross-race encounters. The chapter concludes that the American police is far more aggressive towards blacks than whites, is more likely to stop African Americans, use force against them, and kill them. They are also more aggressive towards just about anybody when compared to police in the developed world.

Chapter 9 brings home the importance of testimonies during trials in the justice delivery process. Studies show that faith in the police and the law had a direct link with the willingness to come forward to give testimony in court. Further, the authors highlight that perceived fairness of procedure, rather than positive outcomes, has a bearing on perceived legitimacy of the legal process, and therefore shapes willingness to cooperate with the law. Through case studies, they analyse why witnesses hesitate or refuse to cooperate, why there is collective silence when a crime takes place in full public view, and what factors lead to the floodgates being opened and witnesses turning up in large numbers. They also explain why and how errors and racial hoaxes occur during testimonies, and the process through which false confessions take place and innocent people are convicted.

Chapter 10 is about factors that influence the behaviour of juries and judges and how prosecutors and defence lawyers exploit these stereotypes to influence the justice process in their favour. Examples such as black jurors not necessarily being more favourable towards black defendants help deconstruct sweeping generalisations about how stereotypes play out. Data shows that location is sometimes a proxy for race, given the extent of racial segregation that exists in the us. Belief differences arising from life experiences lead to differential interpretations of evidence, different deliberations in the jury room and different verdicts in cases. The role of gender stereotypes also plays out in this process. The chapter highlights ways in which these stereotypes play out in affecting decisions relating to executions, bail, plea bargaining, and compounding of offences. An interesting highlight of the chapter is its analysis of how algorithms also do not end up being race and gender blind, as "the pursuit of justice is contaminated by human biases and frailties," and while algorithms can bring some of these to light, "algorithms themselves are subject to objections and pitfalls" (p 192).

Chapter 11 highlights incarceration rates across race and colour and tries to understand the reasons why they rose in the period between the 1970s and the 2010s, and have since fallen and stabilised. It compares prison populations between county jails, and state and federal prisons and the reasons thereof, and also analyses data relating to persons out on probation or parole. It analyses the offences that have increased the incarceration rates in the recent past, and presents data to show who ends up in prison and who gains more from the plea-bargaining process. It looks at the factors that increase mass incarceration and points out that it is dependent on how quickly people enter the system and how slowly they leave. This, in turn, depends on the number of laws that get legislated; for example, the impact of the "three strikes law" or the introduction of minimum mandatory sentences on incarceration rates. Incarceration rates are also influenced by voter behaviour towards crime

and punishment and its relationship with public policies drafted by political parties and governments, and the consequences of retributivism and consequentialism on the sentencing process. The impact of racial stigma on incarceration rates is explained by pointing out that there continues to be a disproportionately high number of blacks in American prisons without any public uproar or discomfort being created on account of the racial stigma. The chapter ends with discussion on the economic and social costs of mass incarceration.

Chapter 12 looks at how justice delivery could be improved. The authors highlight, based on available literature, that “we really don’t have any good evidence on whether any specific strategy reduces crime on a citywide basis and we know very little about long-run impacts” (p 242). But, it looks at a range of strategies, for example, situational crime-prevention measures like repairing fences, improved lighting, and improving recreational opportunities for the youth. It exhorts policymakers to take steps to break the cycle of mistrust between the police and people of colour, and put a stop to “dignitarian insults” (a term coined by political philosopher Ajume Wingo, referring to police behaviours that are insulting to human dignity as “a member of a modern dignitarian democratic society;” p 244). It makes a series of concrete suggestions like making murder clearance rates by race and ethnicity public, hiring more police in specific locations, analysing the ratio of police to murders, incentivising longer careers of good police detectives, policies that reduce racial segregation in housing, school desegregation, creating systems whereby victims could testify without getting identified, decriminalisation of some categories of drug consumption, gun control laws, using technology to prevent police homicides, better training of police, analysing what went wrong in police shootings, alternatives to imprisonment, having a competent public defender system, improving prison conditions, and creating robust rehabilitation programmes.

The book concludes with a chapter titled “Hope.” This chapter attempts to

take the reader through a journey of hope and optimism in the face of the harsh realities presented throughout the book. For example, through a moving account of a teenager who was arrested in a case of carjacking and ended up being killed by his partner, the authors say that every incarcerated individual for a violent offence has a story, but few are ever told. As the authors very poignantly say, “most lives are mixtures of good and bad, but remembering only the bad about someone is to despair about their capacity to be other than their worst” (p 286). They appeal to our conscience to forgive once a person has paid the price for their act. They further point out that if the police and prosecutors continue to believe that some bad apples will remain bad apples, they would find some pretext or the other to re-arrest them time and again, and such persons would have no incentives to abide by the law. If the general public believes that people need to be killed to maintain public safety, people will continue to be killed. While stereotyping cannot be avoided, self-awareness and recognising the effect that our beliefs can have on others may help change the road map towards a more just society.

This book is important not only for the issue it tries to highlight, that of racial

stereotyping and its impact on criminal justice processing in particular and racial relations in general in American society, but also for the several uncomfortable questions it raises and the solutions it attempts to put forward to address the challenges. Despite its “academic” content, the authors seem to have made a conscious attempt to reach out to other readers as well. The research findings and data are presented in a manner that makes the book eminently readable and, yet, does not compromise the depth of analysis. This book is highly recommended for students and teachers of sociology, criminology, law, social work, and social sciences, as well as anyone who is interested in knowing about justice delivery processes and outcomes in multicultural societies.

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Epidemics and Capitalism

Accurate Identification of Contradictions

SANDIPAN BAKSI

In the context of the spread of COVID-19, a number of left and progressive thinkers, scholars, and activists have deliberated upon the linkage between contemporary capitalism and epidemics. Many of them tend to argue that such epidemics originate due to tendencies inherent in the capitalist system of production. While these interventions present some useful critical analyses, they also tend to present a one-sided view of this relationship, founded on a deeper confusion regarding the human–nature relationship under contemporary capitalism.

On 11 April 2020, the United States (US)—the world’s most economically developed nation, with access to the most advanced scientific knowledge, including the field of medicine—suffered the misfortune of becoming the first country to record over 2,000 deaths in 24 hours. As a newspaper headline highlighted the dichotomy: “COVID-19: US Healthcare System, One of the Best in World, under Deep Stress” (PTI 2020). The news was sobering, coming as it did in the wake of the high death toll due to the disease in at least two European nations, Italy and Spain, or three, if France is included. The scale of the pandemic and the measures required to contain and manage it, as damaging in their impact on people’s lives as perhaps the disease itself, has occasioned a great deal of commentary on the relationship between the global social and economic order, particularly in the developed world, and the origin and nature of epidemics in this globalised world.

Especially among left and progressive thinkers, scholars, and activists, the ongoing battle against the pandemic across the world has set alight a vigorous debate on the linkage between contemporary capitalism and global pandemics, particularly those, like COVID-19, caused by zoonotic diseases, that originate due to pathogens jumping species, from other animals or insects to humans. Active figures in this debate include David Harvey, John Bellamy Foster, Mike Davis, Rob Wallace, and Vijay Prashad, to name only a few prominent names among several others. Their writings clearly try to highlight the structural issues that underlie the origin and spread of the disease, and urge us to regard it as more than a unique emergency, which indeed it is.

These writings, between them, broadly argue for three distinct aspects of the linkage between capitalism and epidemics.

First is the systematic degradation of the public health institutional framework in the neo-liberal phase of capitalism, particularly in the last half a century (Prashad and Denis 2020).¹ The second aspect is the extreme levels of physical connectivity across the globe, made possible through advanced means of transport, following the needs of and the opportunities created by economic globalisation (liberalisation of finance and globalisation of trade).² Third is the destruction of natural ecosystems, particularly forests, by capitalism, industrial agriculture (including livestock production) to be precise, in its relentless pursuit of profit.³

The first two aspects are concerned with the greater and faster spread of the disease due to the contemporary organisation of capitalistic production, and the systemic inability of capitalism to plan and prepare for risks and uncertainties that cannot be easily commoditised and, therefore, be made part of the circuit of capital. However, the third aspect tends to argue that diseases, like COVID-19, are fundamental to capitalism, as they originate due to tendencies inherent in the capitalist system of production. All these arguments seem to somehow draw from the notion of a “metabolic rift,” popularised by Marxist scholar John Bellamy Foster in his study of “Marx’s Theory of Metabolic Rift: Classical Foundations for Environmental Sociology” (Foster 1999).

While these interventions present some useful and critical analyses of the mechanisms by which the contemporary economic, social and political order is related to the possibilities of the emergence of epidemics and pandemics, I argue that several of these writings also tend to present a one-sided view of this relationship, founded, as they appear to be, on a deeper confusion regarding the human–nature relationship under contemporary capitalism.

Fundamental Contradictions

Capitalism as a system runs on the objective logic of profit. It is this logic—manifesting as contradiction between capital

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and labour, as well as competition among the class of capitalists—that eventually leads to science, including the institutions and methods of science, becoming a productive force. Therein lies the source of an immense and never-ending development in scientific knowledge and technology. In other words, capitalism creates enormous potential for humans to intervene and shape the natural world external to their species, as well as their own social worlds. However, the extent and nature of the eventual realisation of this potential that it engenders is, once again, significantly shaped and also undermined by the objective logic of profit. Capitalism creates the necessary capacities, which, however, might just remain idle in the absence of the requisite profit incentive. Capital, as Marx clarifies, is the “*real barrier of capitalist production*” (emphasis in original). Further, he states, “the means—unconditional development of the productive forces of society—comes continually into conflict with the limited purpose, the self-expansion of the existing capital” (Marx nd).

The contradiction between the scientific and technological potential and its actuality plays out starkly today against the background of COVID-19 in the advanced capitalist world, epitomised by the US. The US is the repository of the most advanced knowledge and technical capacities in all areas, including in the field of medical science, but was found completely unprepared to fight against the spread of COVID-19, despite an early warning (Lipton et al 2020). It lacked the material capacity to produce even the most basic medical supplies, like personal protective equipment, face masks, and test kits, to the extent the different states, local governments, and hospitals, were reported as competing with each other in order to acquire them. It even failed to place large-scale orders for medical equipment up until as late as early March. “In one short week,” announced a *BBC* report on 20 March, “the US has gone from being the world’s superpower, to asking nurses to sew their own protective gowns and masks” (Kay 2020).

In a recent article titled “The Free Market Isn’t Up to the Coronavirus Challenge,” Leigh Phillips (2020) distinctly

captures this deep chasm between the potential of scientific knowledge and its realisation under capitalism, in the context of the research on prevention and cure of coronaviruses. He refers to the “huge progress that had occurred into the function and structures of the SARS (severe acute respiratory syndrome) coronavirus, including some research into vaccine development and evaluation on animal models.” The research, however, he clarifies, could never reach culmination as there was “no incentive to further develop SARS-CoV vaccines,” after the SARS outbreak subsided by 2005. Further, he clarifies, there was “no money either for development of antivirals (for people who have already been infected by the virus). That is, there is no money to be made.” The story of a grave neglect narrated by the article underlines the sordid fact that, in the absence of requisite profit incentive, the pharmaceutical industry has never been interested in developing medicines and vaccines for such infectious diseases.

A Conjunctural Crisis

While it is evident that the COVID-19 crisis has sharpened, amplified, and laid bare these contradictions within capitalism, it is, however, critical to appreciate that this is a conjunctural crisis, one that did not originate due to tendencies that are fundamental to capitalism.

Crises, whether cyclical or historical, are an ever-present but latent feature of the capitalist system of production. The possibility of a crisis emerges from the assertion or amplification of the various contradictions that are fundamental to capitalism. However, capitalism, like any other system, is also liable to conjunctural crises, contingent in nature. The latter is not an outcome of the assertion of the fundamental contradictions of capitalism; rather it leads to the sharpening of such contradictions. The COVID-19 outbreak falls into the latter category, and it has starkly highlighted the dichotomies of capitalism. As a matter of fact, as both supply and demand collapse, the whole ideological and policy apparatus of capitalism appears to be at a loss to understand and deal with the crisis. The capitalist ideologues seem to suggest that

the pandemic will soon be over, following which the global economy will fall back to normalcy. They can, of course, afford to suggest, thus, in view of the fact that even a conjunctural crisis, such as the present one, operates through the existing socio-economic structures, implying thereby that it is the working classes that would eventually bear the real brunt of the crisis.

Nature–Human Dialectic

The origins of COVID-19 lie in contradictions that are foundational to human evolution. The human species has been consciously intervening in nature ever since it evolved to attain the capacity of applying conscious labour for material production. In fact, it can be argued that even before such an evolution, the pre-*Homo sapiens*, like every other animal species, would have been forced to migrate to unexplored territories due to sudden calamities and catastrophes. Such migration and exploration of the unknown perhaps is a basic feature of the survival of life. This would naturally have implied an exploitation of a new ecosystem, disturbing the existing equilibrium therein. It would have also allowed various microorganisms to jump species and hijack the biological system of the newcomer. In fact, it is conceivable that, in many such cases, the in-migrating human communities, or animal groups, might have seriously taken to sickness. It is also quite possible that the contemporary empirical knowledge of healing might have been quite ineffective against a new disease spread. In such a scenario, one can argue that the mortality rates might have been significant. These are, of course, speculations and need evidence from history and archaeology; nonetheless, they are very well within the realm of logic.

What, however, changed with human evolution was the attainment of a degree of agency (we will come to the question of agency in a while), which has consistently expanded thereafter. While humans (or pre-humans), like all other animals, were initially compelled by various natural occurrences to interfere with other ecosystems with the newly acquired agency, they now also began to choose to migrate to unknown territories.

As a matter of fact, this apparent agency and choice was also, in essence, driven by objective principles, the logic of the system of material production itself. Nonetheless, the drive for intervening in the unknown was now, more often than not, social in character, and did not originate only due to ecological circumstances.

Capitalism, driven solely by the logic of profit, undoubtedly enhances the rate of exploration of newer avenues and ecological spaces, and, therefore, their exploitation to levels that are unprecedented. In effect, therefore, capitalism greatly expands the pace of something that is very fundamental to the living world, and particularly so for a species that is defined by the use of conscious productive activity through the use of labour.

The question that then follows is: Why is it at all critical to appreciate this feature as more fundamental than capitalism itself? We live in a social system governed by its laws, and it appears natural to attribute characteristics that are foundational to our existence to the social system in which our lives operate. However, the failure to distinguish the features that are fundamental to us as a species from the characteristics that are foundational to capitalism, opens the gateway to the belief that such characteristics were, or would be, absent in any other system but capitalism. It, therefore, also opens the doors to the sentiment of romanticism with the pre-capitalist past, a past where it is assumed that the human-nature relationship was all harmonious, and that the conflict began only with the advent of capitalism. The human-nature contradiction—where humans are both part of nature and apart from it, by virtue of them being capable of applying conscious labour for material production—is fundamental to human existence. Since we live under the capitalist system, it is perhaps natural for us to believe that the feature is unique to the system, but it is important to appreciate that such is not the case. The exploitation of the material world for survival, and particularly for production, is fundamental to our survival and the trajectory of evolution that we have followed since the beginning of human history. It is also important to emphasise that this contradiction will

not automatically wither away in a post-capitalist society.

The Degree of Exploitation

Once we agree to the fact that the human-nature contradiction is not unique to capitalism, and that its origins do not lie in the social system that defines contemporary human existence, it then leaves us to deal with the argument about quantity; that the pace and rate of exploitation of different ecosystems expands tremendously under capitalism, by way of increased commodification of the “wild,” and through the pursuit of a constant rise in productivity through promotion of genetic homogeneity over diversity.

These concerns emerging from the basic tendencies of capitalism are extremely important, but the argument in its explication invariably appears to become one-sided. It does not appreciate the fact that while capitalism has increasingly extracted natural resources in its relentless pursuit of profit, it has also played a significant role in reducing the rate of exploitation of such resources due to increased efficiency and productivity. For instance, it completely fails to recognise the significant gains made in terms of forest conservation due to the tremendous increase in agricultural productivity from the success of the much abused green-revolution technologies in the 20th century. While delivering the special 30th Anniversary Lecture, at the Norwegian Nobel Institute, Oslo, Norman Borlaug (2000) underlines that

During the 20th century, conventional breeding has produced—and continues to produce—a vast number of varieties and hybrids that have contributed immensely to much higher grain yields, stability of harvests and farm incomes, while also sparing vast tracts of land for nature (wildlife habitats, forests, outdoor recreation).

He illustrates the point through a chart (reproduced as Annexure 1, p 31) that showed the land that was spared from being used for cereal production in the second half of the 20th century due to higher productivity attained through improved technology. He argues further:

There also have been important improvements in resistance to diseases and insects,

and in tolerance to a range of abiotic stresses, especially soil toxicities, but we also must persist in efforts to raise maximum genetic potential, if we are to meet with the projected food demand challenges before us, without serious negative impacts on the environment.

The point being that growth in productivity, while arrived at solely due to the capitalist drive for profit, has played a crucial role in restraining further exploitation of the ecosystems like primary forests. It is also worth a mention that the need for higher agricultural productivity is to become even more critical in the face of changing land use patterns and growing urbanisation, as well as due to the yet unpredictable impacts of climate change. This nuance has somewhat escaped the analysis of a number of commentators and scholars from the international left and progressive sections. While criticising the agribusiness firms for the relentless destruction of natural ecosystems, particularly forests, they do not seem to appreciate the modern technologies that have developed under industrial agriculture, and the underlying potential therein. Their criticism appears to unequivocally target both, the technology and the question of its ownership.

In a similar vein, this line of argument also tends to ignore that as capitalism increases the pace of exploitation of nature, it also, in the process, generates the ideas and methods to deal with the ensuing disequilibrium. This is a feature unique to capitalism because, as earlier mentioned, it is under this system that science becomes a productive force itself. It must be appreciated that the idea of sustainability as a concept that accounts for intergenerational equity itself arose under capitalism. The remarkable achievements in healthcare and medicine in the last century give us the confidence that COVID-19 will not possibly be as severe and as long-lasting as the influenza of 1918, despite the almost complete dismantling of the public health institutions in the last 50 years. Capitalism in its trajectory of development regularly engenders crises—economic well as environmental—due to its incapacity to readily account for factors beyond profit. Nonetheless, in the process, it also ends up creating the knowledge and technology

to fight against such crises, and often to pre-empt the threats against its existence; the contradiction, however, lies in its realisation in actuality.

In Conclusion

The article seeks to re-emphasise that as capitalism exploits society and nature for its own expanded reproduction, it cannot but revolutionise the productive forces, in terms of science and technology. On the other hand, however, it also creates fetters to the realisation of the potential that it creates, by making it a slave to the logic of profit.

The need, therefore, is to imagine a social and economic system that allows for science and technology to flourish without these fetters; a system that can promote and utilise the developments in science and technology without giving in to the notions of private ownership. The foremost step towards imagining such a social system is to clearly differentiate between science and technology on the one hand, and the question of its ownership under capitalism on the other, in our criticism of capitalism.

Such a social system, we argue, will also allow us to account for critical aspects like environmental sustainability and biosecurity as part of the development of science and technology, as it will not be driven by profit. At the same time, such a social system will not fall into the trap of imagining a romantic pre-capitalist phase with dismal levels of productivity. The latter, we must reiterate, will not be a pathway to sustainability.

NOTES

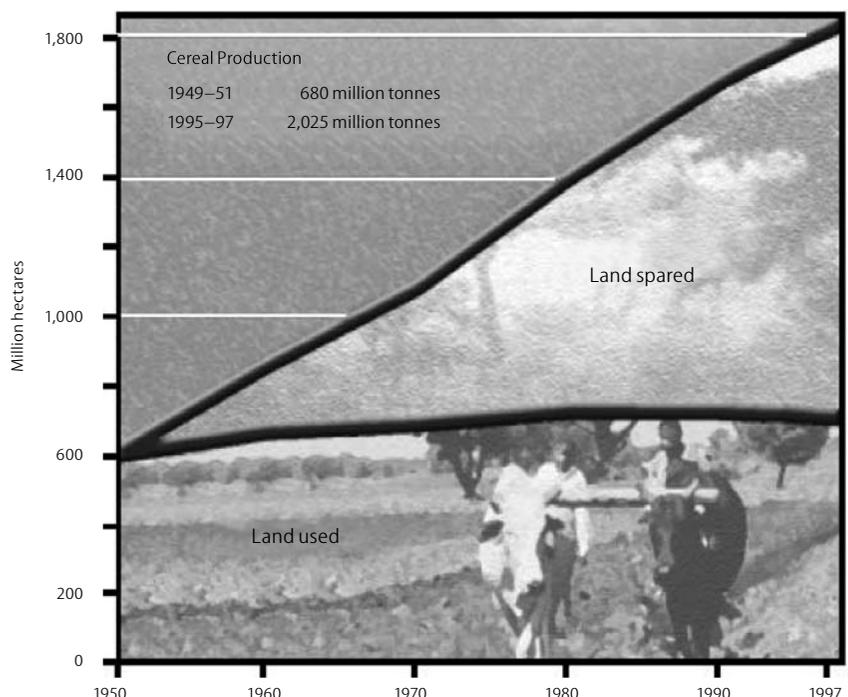
- 1 See, for instance, the commentary by Mike Davis (2020). These arguments voice the urgent need to “break the power of Big Pharma and for-profit healthcare.” These writings have also highlighted the achievements of regions, like the Indian state of Kerala, in fighting the disease due to a strong public health infrastructure; see for instance Prashad and Denis (2020).
- 2 For instance, David Harvey (2020) argues, “Earlier experience had shown that one of the downsides of increasing globalisation is how impossible it is to stop a rapid international diffusion of new diseases. We live in a highly connected world where almost everyone travels. The human networks for potential diffusion are vast and open. The danger (economic and demographic) was that the disruption would last a year or more.”
- 3 See, for instance, Wallace (2020) or Foster and Chowdhury (2020).
Wallace, for instance, distinctly argues that the blame for disease outbreaks like the COVID-19,

lay on “industrial model of agriculture and, more specifically, livestock production.” Further, he says, “Capital is spearheading land grabs into the last of primary forest and small-holder-held farmland worldwide. These investments drive the deforestation and development leading to disease emergence. The functional diversity and complexity these huge tracts of land represent are being streamlined in such a way that previously boxed-in pathogens are spilling over into local livestock and human communities. In short, capital centers, places such as London, New York, and Hong Kong, should be considered our primary disease hotspots.”

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Annexure 1: World Cereal Production Area Saved through Improved Technology, 1950–88



Source: Borlaug (2000).

Small Businesses, Big Reform

A Survey of the MSMEs Facing GST

SANGEETA GHOSH

This paper draws evidences from field surveys to bring out the impact of the goods and services tax on the micro, small and medium enterprises by exploring issues of coverage, rate, selection and exemption of taxation, and subsequently, its effect on the competitiveness and viability of these businesses. The coping mechanisms the units undertook to tide over the crisis they faced as well as the GST Council responses are also discussed.

The goods and services tax (GST) was implemented in India on 1 July 2017 subsuming a number of central and state taxes with the primary objective to simplify the indirect tax structure.¹ One of the principal departures from its predecessor value added tax (VAT) is a broader provision of input tax credit (ITC) across the entire value chain, particularly when levied by the centre and the state on a dual collection principle which is likely to remove the erstwhile jurisdictional hurdles to claiming ITC. While the seamless flow of ITC can minimise the cascading of taxes, the principle of reverse charge mechanism (RCM) and a system of invoice matching are envisaged as self-policing mechanisms to control tax evasion. Also, covering a much larger base of enterprises with lower exemption thresholds than before, it is seen as a mechanism to formalise the economy, by bringing informal enterprises under the tax net.

With more than two years since the roll-out of the GST regime, certain issues have come to the fore, which put to doubt the positive expectations regarding this overhauling tax reform. First, the multiple and frequent changes brought out by the GST Council demonstrates that the envisaged GST is far from being a simplification to the indirect tax regime. Second, media reportage and reports published by the industry associations have frequently cited that the impact of GST on the informal sector has been contrary to the expectations. A major repercussion is potentially on informal sector employment, especially with the sector reeling under weak demand situation in the country.

Lack of macro data, however, has restricted informed research on these issues. In this paper, I seek to identify the processes and channels through which the micro, small, and medium enterprises (MSMEs) are affected by the GST, drawing insights from primary surveys. I explore issues of coverage, tax rate, selection and exemption of taxation, and subsequently, their effect on the competitiveness and viability of these businesses. The coping mechanisms the units undertook to tide over the crisis they faced as well as the GST Council responses are also discussed.

Data and Methodology

The survey was conducted across 157 MSMEs in three cities, that is, Delhi, Mumbai and Surat, between December 2018 and March 2019 using both structured questionnaires and unstructured interviews.

In the absence of a readily available official listing of the MSMEs, a sample framework could not be devised. I used

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snowballing as a method to identify enterprises. This could result in bias as enterprise resource persons might recommend others who face situations similar to them. To avoid this, the first units of survey were selected purposely to ensure diversity in the size structure, product lines, activity, type of business, and so on, based on similar mixed methodology as suggested in Pickbourne (2018) and Pickbourne and Ramnarain (2018). I also used a supply chain framework for tracing the interrelated and interdependent product lines and businesses so as to understand the ecosystem of business relations between enterprises, and how this tax regime change affected these existing systems.

Categorising the enterprises: Of the 157 enterprises surveyed, 66% were involved in manufacturing activities, 19% were exclusively trading units, around 2.5% pursued both manufacturing and trading activities, and 12% were performing job-work on material supplied to them. Table 1 provides a detailed description of the sample units by product and activity lines.

The sample units were further classified into micro, small and medium (the latter two being clubbed into a single category of small and medium enterprises [SMEs]) by the size of their investment in plant and machinery in case of manufacturing units and equipment in case of service sector units.² Since the structure of GST underlines various exemption thresholds according to the turnover of the firms, I categorise enterprises by turnover.³

Table 2 provides a distribution of the enterprises by their plant size and turnover. Around 6% of the units, all in the

Table 1: Distribution of Sample Units by Activities and Product Lines (%)

Product	Activities				Total
	Manufacturing	Trade	Jobwork	Manufacturing and Trade	
Chemical	11.46	1.91	0.00	1.27	14.65
Elastics	7.01	3.82	0.00	0.00	10.83
Grey cloth	9.55	0.00	0.00	0.00	9.55
Hardboard	7.64	0.00	0.00	0.00	7.64
Hosiery	3.18	0.00	0.00	0.00	3.18
Job work in textiles	0.00	0.00	8.28	0.00	8.28
Latex thread	3.82	0.00	0.00	0.00	3.82
Leather	4.46	3.18	0.00	1.27	8.92
Machinery	7.64	0.00	0.00	0.00	7.64
Metal	11.46	0.64	3.82	0.00	15.92
Textile and hosiery retail	0.00	9.55	0.00	0.00	9.55
Total	66.24	19.11	12.10	2.55	100.00

Source: Field survey.

Table 2: Distribution of Sample Units by Plant Size and Turnover

Plant Size*	Turnover (₹)			Total
	Less than 20 Lakh	Between 20 Lakh and 1 Crore	More than 1 Crore	
Micro	10 (11)	67 (71)	18 (19)	95 (100)
SME	0	13 (21)	49 (79)	62 (100)
Total	10 (6)	80 (51)	67 (43)	157 (100)

Pearson $\chi^2(2) = 56.3464$ Pr = 0.000.

*Manufacturing sector (investment in plant and machinery):

Micro: <₹25 lakh; small: >₹25 lakh but <₹5 crore; medium: >₹5 crore but <₹10 crore.

*Service sector (investment in equipment):

Micro: ≤₹10 lakh; small: >₹10 lakh but <₹2 crore; medium: >₹2 crore but ≤₹5 crore.

Figures in the parentheses give the share of firms in each plant size category.

Source: Field survey.

micro category, reported their turnover to be less than ₹20 lakh. Though this category of firms is exempted from registration under GST if their transactions are intra-state, they could choose to register under GST optionally. About 51% of the units surveyed reported a turnover between ₹20 lakh and ₹1 crore. It is important to note that 84% of the units with an annual turnover between ₹20 lakh and ₹1 crore are in the micro enterprise category, while 16% are SMEs. At the time the survey, this category of turnover was eligible for the optional composition scheme if their transactions were intra-state. About 43% of the firms reported their turnover to be more than ₹1 crore; 79% of the SMEs and 19% of the micro units were in this category. At the time of the survey, it was necessary for this category of firms to register under the GST.⁴

Coverage of Enterprises

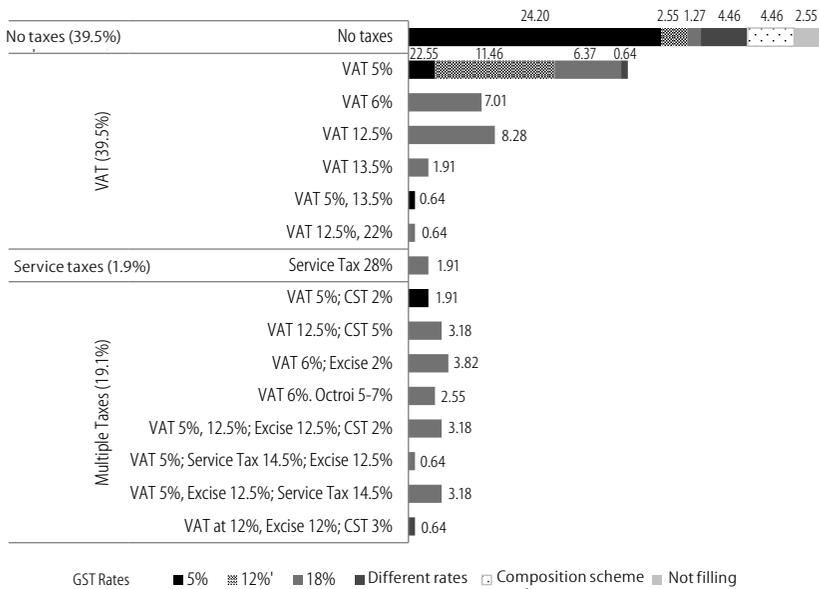
According to the 2019 report of the Comptroller and Auditor General, total registrations under GST as on 28 February 2019 were 1.20 crore, of which normal taxpayers accounted for 84% and composition taxpayers were around 15%. Of the total registrations, 59.74 lakh migrated from pre-GST regime, accounting for around 50% of the registrations, while the balance were new registrations (CAG 2019: 31). The service sector and large sections of small businesses account for these new registrations that include certain commodities exempted from taxes in the previous regime.

This is a huge departure from the past. The National Sample Survey Office's 73rd round of surveys of unincorporated non-agricultural enterprises in 2015–16—a year before GST—found only 4% of the 633.93 lakh estimated enterprises to be registered under the VAT or sales tax. This had wide variations across industrial sectors and states, type of enterprise, ownerships, location of enterprises, turnover, investment size, and so on.

While only 1.46% of own account enterprises were registered with VAT/sales tax, this percentage was at 16% for establishment enterprises. Among the sectors that have a high presence of enterprises in the unorganised sector, wholesale and retail trade (excepting motor vehicles) had 26% and almost 7% of the enterprises registered under VAT/sales tax, respectively, followed by machinery and equipment (23%), electrical equipment (16%), recorded media (12%), fabricated metal (5%), paper products (6%), chemical products (5%); while manufacturing of food products, tobacco, textiles, apparel, leather, furniture, etc, and services such as, repairing activities and food and beverages service—that make for the bulk of the unorganised sector—had VAT registrations as low as 0% to 1.5%.

Consequently, in our sample almost two-fifths of the enterprises reported of being exempted from taxes in the pre-GST regime. These exempted units were concentrated mainly in the textiles and hosiery supply chains such as, grey cloth manufacturing, trading of grey cloth, hosiery manufacturing, and woven and braided elastics. Some micro units of leather products also reported to be exempted from paying VAT. Of the remaining enterprises, another 40% were paying VAT only,

Figure 1: Comparison of Tax Rates Pre- and Post-GST



Source: Field survey.

while 19% were paying multiple taxes (vat, excise, octroi, cst, service tax) but not more than three indirect taxes. These were seen mostly in the chemical sector, machinery manufacturing, metal parts, and washing and dyeing of fabrics.

Taxes before and after GST

After the introduction of the GST, most of the firms surveyed (94%) were subject to taxation either via composition scheme or the GST itself. Seven of the 10 firms with an annual turnover of under the threshold of ₹20 lakh were also registered as part of the GST network (GSTN) as they had interstate transactions. I provide a comparison of the pre- and post-GST tax rates levied on the products of the surveyed enterprises in Figure 1. Nearly 40% of the firms were not paying any taxes before GST. Only 2.5% of these are now not filing any returns, while 4.5% are under the composition scheme. The remaining 32.5% of the enterprises, incurred GST at rates of 5%, 12% and 18%, and in some cases, different GST rates for the different products that they manufactured/sold.

In the next group, another 40% of the enterprises were filing VAT returns alone, at rates of 5%, 6%, 12.5% and 13.5%. Two enterprises in this group paid VAT at 5% and 13.5%, and 12.5% and 22%, based on the different types of products sold. In this group, 35% of the enterprises were paying higher GST rates at 12% or 18%. Around 19% of the enterprises were paying multiple taxes, which were now subsumed under GST, mostly in the 18% tax rate slab.

During the time of the survey, more than 70% of the enterprises surveyed reported paying a higher tax than in the earlier regime. The GST Council has periodically reduced tax rates, particularly for the 28% tax slab. During the survey, 27% of the units reported a reduction in the GST rates, especially in the chemical and leather sector where the 28% tax rate was reduced to 18% for many products, and in the elastics sector where the tax rate for knitted elastics was

brought down to 5% from 12%. Earlier, the incidence of taxes was thus, even higher for many of these units.

Small Business and Tax Exemption

Before GST was launched, discussions took place about the exemption thresholds for small businesses due to higher compliance costs and information technology (IT) dependency of the tax reform. A majority of the MSMEs were competitive precisely because they were out of the tax net, and thus, exemptions were considered important. It has been argued that the compliance cost for the small businesses would be high from both sides (for the state as well as for the businesses) and hence an exemption would benefit the industry. In recognition of this, various exemptions were put in place for small businesses. Businesses with a turnover of less than ₹20 lakh (now extended to ₹40 lakh) were exempt from GST and a composition scheme put in place for enterprises doing intra-state business with an aggregate turnover of up to ₹50 lakh (the present limit is ₹1.5 crore). Under the composition scheme, a taxpayer has to pay 1% of his annual turnover as tax on a quarterly basis. However, they cannot collect GST from the customer and cannot claim ITC for their purchases.

While these exemptions are in place, under RCM, the onus of tax collection is on registered buyers if the supplier is unregistered or under the composition scheme or falling under certain specified categories like goods carriers, lawyers, etc, which led to additional compliance burden for the buyer firm. As Banerjee and Prasad (2017: 19) mention, an exemption of ₹5,000 per day is allowed to registered dealers to make purchases from unregistered vendors without the RCM obligation. This daily exemption allows for petty expenses. However, for an aggregate of transactions, this daily exemption is small and does not solve the obligation of RCM for registered dealers.

In recognition of this problem and the hurdles it places in front of the MSMEs procuring from unregistered dealers, the GSTC in its 28th meeting held on 21 July 2018, suspended the levy of GST on RCM on receipt of supplies from unregistered suppliers, except for specified goods in case of certain notified classes of registered persons. This provision was extended to September 2019 (CAG 2019: 16).⁵

However, the surveyed firms seemed quite unaffected by (or mostly unaware of) these provisions while making their buying decisions. During the survey, a quarter of the firms reported to have stopped buying from unregistered dealers in order to avail of ITC, while almost half of the units reported all their sellers to be registered. Only about 4% said that the unregistered sellers they were previously doing business with, had gone out of business and so they were buying from registered sellers now. Around 18% of the firms reported to carry

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on business with unregistered sellers as they had long-term relations with them and got cheaper material. Only two firms reported to be aware of thresholds for buying from unregistered sellers and said that they bought within the limits. Otherwise, they were procuring from registered dealers alone (Table 3).

Table 3: Reasons whether Buying from Unregistered Dealers

		Micro	SME	Total
Stopped buying	To claim input tax credit	26 (27.4)	14 (22.6)	40 (25.5)
	All registered sellers	38 (40.0)	37 (59.7)	75 (47.8)
	Unregistered sellers gone out of business	3 (3.2)	3 (4.8)	6 (3.8)
Continues to buy	Always bought from unregistered sellers	23 (24.2)	5 (8.1)	28 (17.8)
	Rarely if shortage	5 (5.3)	0 (0)	5 (3.2)
	Limited buying within threshold	0 (0)	2 (3.2)	2 (1.3)
	Stopped buying any inputs	0 (0)	1 (1.6)	1 (0.6)
	Total	95 (100)	62 (100)	157 (100)

Pearson chi2(6) = 16.9995 Pr = 0.009.
 Figures in parenthesis represent share of firms.
 Source: Field surveys.

Composition scheme: The same was applicable to composition suppliers as well. At the time of the survey, 58% of our respondent enterprises had the threshold turnover that could make them eligible for the composition scheme. But out of these, 73% of the enterprises were not eligible for the composition scheme as they had interstate transactions, while out of the remaining 27% enterprises, I found only 28% to be registered under the composition scheme.

The reasons for not registering under the composition scheme are many. First, because of a perception that if they were not registered under GST, they would face a loss in their market share due to their transactions with businesses that wanted to avail of ITC. If they were B2B businesses, not registering under GST was not seen as an option. Second, the threshold of the composition scheme itself was low when the GST was rolled out. Most of the enterprises surveyed got a GST registration in July 2017 itself, when the threshold was only at ₹50 lakh. Thus, when GST was rolled out, the businesses, particularly the B2B businesses, already fearing loss of business due to the RCM clause, preferred opting for GST instead of the composition scheme. The relaxations to RCM came only a year later. Thirdly, these enterprises also reported that they feared harassment by tax authorities if not registered under GST, as it would be difficult for them to prove that their transactions were below a certain threshold. They thought it better to be “transparent” in an auditable fashion under GST, even if that meant filing nil returns.

Even as the GST Council decided to raise the threshold of the composition scheme to provide relief to the businesses, the aforesaid reasons deterred opting for this scheme. Alarming, the revenue secretary Ajay Bhushan Pandey is quoted to have said that, “even though currently the exemption limit is ₹20 lakh, but still there are about 10.93 lakh taxpayers who are below ₹20 lakh but are paying taxes” (*Economic Times* 2019). That itself would mean that 9% of the total GST registrations are from enterprises that are below the threshold of ₹20 lakh and are filing nil returns.

The *Economic Survey (2017–18)* talked of voluntary registrations of 17 lakh registrants that were not obliged to register under GST as of December 2017. While it views these registrations as voluntary, it points to the compelling nature of the tax structure that has forced low threshold businesses to also register under GST. Registration under GST came with the heavy cost of compliance in terms of increased paperwork, additional fee to accountants, and the mental load of keeping track of all bills, and collecting detailed invoices and receipts even for small transactions.

Declining Competitiveness

Some of the businesses surveyed wanted the council to get rid of the multiplicity of rules for similar businesses. Though their businesses were small, they were paying GST, while the composition dealers were able to sell at lesser prices as they did not collect GST and were paying an annual rate of tax on their turnover. Even though these businesses could avail input tax credit, they perceived competition and a loss of their market from the composition scheme dealers who were able to sell at lesser prices.

Furniture manufacturers in Mumbai: The steel almirah manufacturers we interviewed in Sakinaka, Mumbai had 5% VAT on their products before. Now, the GST rates were at 18%. The composition dealers in the same line of business do not collect 18% tax and sell at cheaper prices. In order to not lose market shares, these manufacturers reported to absorb a part of GST themselves and sell at meagre profit margins. Migration to composition scheme was not seen as an option as they feared loss of business, selling to registered dealers themselves. Even though they could claim ITC for their inputs, the price difference between them and the composition dealers was a cause for concern for them. Additionally, there were higher compliance costs for GST registered enterprises. This, they said, was in no way a demonstration of “one nation, one market, one tax.”

These firms seemed to be sandwiched between two sources of competition. On the one hand, if small firms did not register under GST, they could stand to lose market share as registered clients would not buy from them due to the perception of RCM and non-availability of ITC. On the other hand, small firms that choose to join GSTN faced higher compliance costs and the burden of excessive paperwork. If their business was with unregistered clients, they would have to absorb a part of GST themselves or lose market share. While a coercive formalisation into the tax system is in play, the working margins of the small businesses is put to risk. Additionally, the incidence of GST on small businesses was higher than the taxes they had faced earlier for a majority of enterprises, where many of them were never paying taxes before. Moreover, the prices of the small manufacturers, after a 18% GST, had moved closer to the branded products and they faced stiff competition from the organised sector that was eating into their market shares. The last factor has found resonance in many newspaper reports (Srinivasan and Shankar 2018).

A mechanism seemed to be in play, and no matter which path small businesses chose for themselves, it affected them adversely. Being part of a paper trail, however difficult its upkeep, was deemed necessary to do business.

Power loom sector in Surat: Manufacturing cheap polyester sarees and garments for low middle-class income groups, demonetisation and the ensuing cash crunch in the economy dried up the demand for sarees and garments, and in turn for grey cloth. Even before they could recover or sell off their inventories, the GST was launched. The unorganised power loom industry was facing the incidence of indirect taxes for the first time. Previously, their profits rose out of low wages paid to the workers on the one hand, and the absence of taxes on the sector on the other. Meanwhile, one of the essential inputs for production, yarn was taxed at 18% after GST was launched (12% subsequently), while the output—grey cloth—was taxed at 5%, creating a situation of inverted duty structure for these manufacturers. This resulted in blocked capital for the sector, and stiffer competition from the integrated units.⁶

An illustration is in order. To make 15 metres of grey cloth, 1 kilogram (kg) of yarn is required. Let us assume that cost of 1 kg of yarn is ₹100, with 12% GST. Thus, the GST paid by the power loom unit to make 15 metres of grey cloth is ₹12. If the selling cost of grey cloth of a decentralised unit is ₹14 per metre with a 5% GST, then the GST collected by the unit by selling 15 metres of grey cloth is ₹10.50. Thus, for every 15 metres of grey cloth sold, there is an accumulation of ₹1.50 in the GST credit ledger for the decentralised power loom unit due to the inverted duty structure. This amount was found to vary between ₹1 and ₹2 depending upon the qualities of the yarn and the grey cloth. Comparatively, for an integrated unit that is able to sell the dyed cloth at a price of say, ₹26 a metre, its GST collection is at ₹19.5 for 15 metres, and there is no instance of inverted taxation.

The owners of the power loom units we interviewed reported to run less number of machines than before. Many of the weavers, particularly the smallest in the sector who ran 12 or less machines, shut shop, sold their machines to scrap, and leased out their units to others. Their income now was the rent arising from the factory spaces. We held informal interviews with 20 such owners who had shut their shops. With a profit rates at 1%-2%, down from 8% earlier, their businesses were no more viable. One remarked, “we were job creators before, now we have turned job-seekers.” Further, many family owned businesses were found to be spilt into different units of smaller sizes to escape labour laws. They are mostly registered under the Shops and Establishment Act, and though many employ as many as 100 workers, these units are split to escape registration under the Factories Act.

Another obvious route of coping with adverse conditions of demand and downturn of turnover was to retrench workers; 93% of all the enterprises surveyed by us reported to have sacked workers. In certain cases, the enterprises had fired all their workers and instead banked on own and/or family

labour alone. The percentage of micro enterprises not hiring any worker at all increased from 7% to 18%, as the entrepreneurs were unable to sustain paying wages to their employees and production itself was cut.

In the power loom sector the workers who are paid on a piece-rate basis for per metre of cloth that they produce during each shift of 12 hours, saw a reduction in their wage rate from ₹1–₹1.25 to ₹0.90–₹1.10. However, their total income had increased even as the wage share in total output fell as they were producing more cloth per shift by working on six to eight machines, instead of the four on an average previously. This meant intensification of labour during each shift, being more swiftly “on-foot,” with even lesser breaks. More disconcertingly, the conditions of work in this industry, like much of the unorganised sector, is highly exploitative.⁷

From manufacturing 4 crore metres per day, the grey cloth manufacturing production in Surat fell to 2.5 crore metres per day, and out of the 6.5 lakh looms in the city, 1.25 lakh looms were sold off as scrap. Reportedly, 50,000 power loom workers lost their jobs in the months following the launch of GST.⁸ Migrant workers from states like Odisha, Bihar and Uttar Pradesh bore the brunt of job losses. Suggestions to allow the refund of ITC on account of inverted tax duty structure were discussed for the textiles sector. Since the sector had huge employment potential, there was consensus that the sector must be provided relief even if that meant a fall in revenue. The GST Council in its 28th meeting held on 21 July 2018, recommended allowing refunds on account of inverted duty structure with prospective effect from 27 July 2018. However, the power loom units surveyed had not received any refunds at the time of survey and were suffering from severe cash crunch and blocked working capital.

Hosiery supply chain: The scenario in this supply chain was rather complex, primarily distorted due to different tax rates. The VAT rates on latex threads were 5% previously and under GST this had increased to 12%. For woven elastics, it reduced to 5%, while for braided elastics, it had remained at 12%.

The latex thread manufacturers said that their clients, mostly small manufacturers, would be unwilling to pay the GST rate of 12%. This would result in them absorbing some of the GST cost themselves, particularly right after GST, as many of their clients were unregistered businesses who would not be willing to pay the higher prices due to taxes. With time, a part of their clientele took GST registration, and this problem eased. But delayed payments, a problem that was always there, increased further after GST, with delays increasing from 45 days to 75 days.

Further, the woven elastic manufacturers faced inverted duty structure while purchasing rubber latex threads and saw much higher input costs than before, while the braided elastic manufacturers were facing stiff competition due to the higher taxes on their products. Many of the manufacturers we interviewed had tried to diversify their manufacturing to knitted and woven elastics due to higher taxes. They were unable to sell their products to hosiery manufacturers as the hosiery

manufacturers, in turn, were facing inverted duty structure and were unwilling to pay the 12% GST, when they could collect only 5% on their products.

The demand conditions for the small manufacturers of latex threads and micro elastic units had turned adverse as their end clients, small hosiery manufacturers, had reportedly gone out of business after GST. The hosiery manufacturers we interviewed in Delhi, also reported a downturn in their sales, and an increase in their cost of production after GST. Their products were untaxed before, and were not competing well with the branded products after GST.

For the wholesalers and retailers in the textiles industry, imposition of the GST deterred their erstwhile informal process of doing business, wherein they could either return or sell their unsold inventory elsewhere. After GST, the spatial movement of the inventory came under severe restrictions due to the paperwork involved. Retailers complained that wholesalers, unwilling to undertake the requisite paperwork, would be unwilling to take back unsold stock like before, and thus, they would have to be wary about buying goods. This put a cap on the amount, variety, and quality of goods the retailers could display to consumers on demand. The wholesalers too, were simply not buying as much as they did before. During our interviews with wholesalers and retailers in Surat and Delhi, this was one of the repeated narratives.

Some of the hosiery retailers under the composition scheme said that procuring goods from the branded organised sector had become more difficult for them after the GST, and many of the registered wholesalers were not willing to do business with them, especially during the months following the launch of GST. At that point of time, they had diversified their fare by stocking other goods. At the time of the survey, their procurements had smoothed, but they still faced difficulties. Additionally, there was an unprecedented lack of demand that

Table 4: Effect on Perceived Monthly Turnover by Enterprise Type

	Reduced	Increased	Same	Total
Micro	92 (96.84)	1 (1.05)	2 (2.11)	95 (100)
SME	48 (77.42)	1 (1.61)	13 (20.97)	62 (100)
Total	140 (89.17)	2 (1.27)	15 (9.55)	157 (100)

Pearson chi2(2) = 15.6504 Pr = 0.000.

Figures in parentheses represent the share of firms in each plant size category.

Table 5: Perceived Problems to Viability of Business after GST

Product	No of Sample Units	Percentage of Firms Reporting the Reasons Constraining the Viability of Business after GST								
		Lack of Demand	Higher Taxes	Higher Input Costs Due to Taxes	Blocked Working Capital	Inverted Duty Structure	Greater Delay in Payments	Compliance Costs	Buyer-Supplier Linkages	Restrictions to Movement of Goods
Chemical	23	87.0	52.2	26.1	69.6	30.4	34.8	69.6	69.6	0.0
Elastics	17	100.0	64.7	100.0	64.7	64.7	100.0	100.0	100.0	0.0
Grey cloth	15	100.0	0.0	100.0	100.0	100.0	0.0	100.0	0.0	0.0
Hardboard	12	100.0	100.0	0.0	0.0	0.0	0.0	100.0	100.0	0.0
Hosiery	5	80.0	0.0	100.0	0.0	0.0	0.0	100.0	100.0	60.0
Job work in textiles	13	61.5	0.0	0.0	0.0	0.0	0.0	69.2	0.0	0.0
Latex thread	6	100.0	100.0	100.0	100.0	0.0	100.0	100.0	100.0	0.0
Leather	14	100.0	50.0	100.0	85.7	0.0	100.0	64.3	0.0	100.0
Machinery	12	66.7	41.7	0.0	41.7	0.0	41.7	66.7	41.7	0.0
Metal	25	92.0	100.0	24.0	84.0	0.0	56.0	100.0	80.0	4.0
Textile and hosiery retail	15	100.0	0.0	0.0	40.0	0.0	40.0	40.0	40.0	100.0
Total	157	90.4	49.7	43.9	58.6	21.0	44.6	81.5	55.4	21.0

Source: Field surveys.

they witnessed after demonetisation and the launch of GST, not to mention the boom in e-retailing.

Impact on Business Viability

More than half of the enterprises surveyed said their turnover had reduced by 10%–30%, while more than one-third of the enterprises perceived their turnover to have reduced by more than 30% after the GST was introduced (Table 4).

A major shock to demand, particularly to the units that almost exclusively dealt in cash transactions was expected after the immediate roll-back of 86% of currency from the economy.⁹ Almost 90% of the enterprises (97% of the micro units and 77% of the SMEs) reported that even before things could stabilise and they could deal with their unsold inventories, their sales fell further after GST was introduced in July 2017.

Besides the lack of demand, other reasons predominantly identified by the surveyed firms for a downturn in business are increase in input costs due to taxes, blocked working capital, facing inverted tax duty, greater delays in payments, increased compliance costs and associated paperwork, distortions in buyer–supplier chains, and restrictions on flexibility of movement of stock (Table 5). It is interesting to note that for the textile supply chain for example (manufacture of grey cloth and hosiery products, job work in textiles, as well as retail), the imposition of a tax itself was not perceived as a problem as much as other issues identified before.

Complications of compliance: Compliance with regard to GST was one of the most difficult challenges facing the small businesses. As seen in Table 5, four-fifth of businesses surveyed saw compliance as challenge. The kind of knowledge about tax procedures and rules that the businesses required was simply not available to them. Most of them were not even paying any taxes before, and those who did were not used to such elaborate and complex bookkeeping. The rules under GST also kept changing swiftly as did the tax rates, the threshold limits, RCM clauses, and rules pertaining to late fines, deadlines for filing taxes, and so on. Initially, all businesses registered under GST were to file three returns per month and one annual return, amounting to 37 returns in a year (Banerjee and Prasad 2017).

Many of the respondents we spoke to told us that it was not just the rate of tax or the imposition of taxes that bothered them, but the very mechanism of record-keeping and accountancy through which they had to go through. Thoroughly unfamiliar with the software systems that GST necessitated, they had to depend on part-time chartered accountants, as most of the enterprises did not have an in-house accountant like the organised sector. Some of them had to hire an accountant to manage their books, even as they saw their profits and incomes affected due to the factors discussed before. Others who could not afford to hire someone for bookkeeping, banked on family labour. We saw in several cases, that one of the male children, often pursuing some other line of education, took over bookkeeping just to keep the family business afloat.

Monthly filing of taxes was the biggest incumbent to business. As brought out in the minutes of the 32nd GST Council meeting, businesses with an annual turnover of as small as ₹60 lakh that were paying taxes of only ₹5,000 annually, would have to spend ₹15,000–₹20,000 annually to file the taxes (32nd GST Council Signed Minutes, 10 January 2019, p 9). While 30% of the SMEs (mostly medium-sized firms) we surveyed had in-house accounts, all of the micro units under GST had to hire accountants spending from ₹12,000 to ₹30,000 annually. A number of power loom units we surveyed in Surat were sharing the accountant costs. The benefits of filing a single tax were reaped only by medium-sized enterprises that already were accustomed to filing taxes digitally and had an in-house accountancy department. Along with this were the glitches vis-à-vis the inefficient GSTN, the failure of the IT dependent system, which meant that the businesses had to waste a number of days just trying to file the taxes.

In such a scenario, the proposed increases in exemption and composition scheme thresholds might not be beneficial unless something concrete is done about the RCM clause and the ITC structure. Since these are very much a part of the GST fabric, ease of compliance becomes the most important route. The ITC claims were to happen through matching the invoices of the buyer with that reported by the seller. Any incorrect or unmatched transactions filed by the supplier leads to the denial of credit to the buyer. This led to huge problems, as the suppliers were not technically adept at recording these transactions on the one hand, and on the other IT-related glitches made it difficult to cater to such a huge flow of information. This led to problems of buyers not being able to claim ITC and affected their working capital.

The GST Council is well aware of the challenges that face businesses, particularly small businesses, due to compliance, and certain steps were taken to ease the burden of compliance. Businesses with a turnover of less than ₹1.5 crore are now allowed to file returns and pay taxes on a quarterly basis, which will be a big relief for small businesses. GSTR-2 (a purchase return) and GSTR-3 (input-output return) were suspended due to its complex structure, and instead, GSTR-1 (the sales return) and GSTR-3B, (summary input-output return) remain, along with the annual return form. The new forms are uploaded from 1 April 2019, in an attempt to simplify the

returns under GST. The new return formats—“sahaj” (for B2C outward supplies) and “sugam” (for both B2B and B2C outward supplies)—are to make the compliance process simpler for the small businesses where taxpayers up to a turnover of ₹5 crore could opt to file any of the three forms on a quarterly basis.

Business Relations

More than three-quarters of the enterprises we surveyed were business-to-business (B2B) firms, and most amongst them, the small units in particular, had a large part of their business with unregistered clients. For example, acid traders in Sakinaka, Mumbai were supplying to metal part manufacturers, half of whom were unregistered small businesses with a turnover of less than ₹20 lakh. They reported to have to absorb part of the 18% GST, otherwise lose a significant share of their market. They were thus forced to sell at the previous VAT rate of 6%, or slightly higher, which in turn affected their small profit margins and working capital as the additional tax would have to be paid out of their pockets.

For the hardboard manufacturers in Delhi, who manufactured boards for bag lining, cartons, boxes, and so on, not only many erstwhile clients had gone out of business, but the existing unregistered clients were unwilling to pay the GST rate of 12%. They too would have to absorb the GST rates themselves making their businesses with small firms unsustainable. But accessing an established clientele was not easy either.

In some instances, where they sold to larger clients, the impact on their overall turnover was not as severe. Similarly, the elastic traders in Delhi who were selling to more established organised businesses did not fare as badly as the ones who had been dealing with smaller businesses. In fact, some of the enterprises surveyed, in spite of some facing some decrease in their annual turnover, listed benefits arising out of GST, such as the ITC claims (also increase in the coverage of ITC with services in its ambit), and/or the e-way bill easing interstate trade, ease of compliance and the convenience of paying a single indirect tax (Table 6).

Gainers from GST: Our interviews with six medium-sized dye manufacturing units in Surat revealed that though the industry faced a downturn in their production and sales due to

Table 6: Perceived Benefits Due to GST

Product	No of Sample Units	% of Firms Reporting on the Perceived Benefits Due to GST		
		Ease of ITC Claims	Interstate Trade; E-way Bill	Ease of Compliance
Chemical	23	100.0	87.0	30.4
Elastics	17	64.7	100.0	0.0
Grey cloth	15	0.0	0.0	0.0
Hardboard	12	0.0	100.0	0.0
Hosiery	5	0.0	0.0	0.0
Jobwork in textiles	13	100.0	53.8	23.1
Latex thread	6	16.7	0.0	0.0
Leather	14	0.0	64.3	0.0
Machinery	12	58.3	58.3	33.3
Metal	25	24.0	12.0	0.0
Textile and hosiery retail	15	0.0	0.0	0.0
Total	157	38.9	47.8	8.9

Source: Field surveys.

adverse demand conditions, the manufacturers largely felt that they had benefited through the GST. These units with large modern factory spaces, registered under the Factories Act, employing more than 70 regular workers and with a turnover of above ₹20 crore, were the only ones in our sample that were exporting their products directly.

For them the GST had made exporting goods much more convenient. Before GST, they had to fill six sheets of paper for container shipments and 402 border forms used radio frequency identification (RFID) seals and paid octroi. Post GST, a simple bill went with the material, and the manufacturers could put the seal themselves. Transportation with e-way bill saved them time. Their compliance burden had reduced substantially and refunds had become convenient—being directly credited into their accounts, with less paperwork and follow-ups. However, it is also important to note here that these firms already had in-house accountants, and were not unfamiliar with the process of filing taxes and digital bookkeeping.

Another example of a gainer from GST is one of the manufacturing and trading firms we had interviewed. Again, a medium-sized enterprise, registered under Shops and Establishment Act, employing 75 regular workers, had gained from GST, as it could now collect ITC for its vast expenditure on advertisements. With the increase in their turnover, they could now pass on the benefits of lower production costs to the customers. The tax rate on some of their products has declined, while on some others it has increased.

However, they perceived all their products to be cheaper after the GST.

Conclusions

While the findings reveal that the benefits of the reforms till date seem to be skewed towards the medium-sized businesses, it might be too early to completely rule out the prospects for the small businesses, in particular. How resilient the small businesses will be to this change, is a matter of time and largely contingent upon whether and how the attempts for simplifying the design of the GST regime for the small businesses pan out.

As far as higher threshold exemptions are concerned, they might not yield desired results, unless the GST in its very structure with RCM and invoice matching makes the task of compliance easy. Tax filing on a quarterly basis will be a welcome move, however, one needs to see how it works out along with the provisions for invoice matching. The issue of inverted tax duty structure too might not be creating a level playing field for all businesses. Added to it is the issue of multiple tax rates, where many similar kinds of products in the same value addition chain are facing different rates.

I acknowledge that the caveats of this study are its sample size, and limited scope and coverage of the variegated MSME sector. However, the strength of the exercise lies in the fact that it is amongst the rare attempts, if not the only one till date, of exploring the effects of a mammoth tax reform like the GST, empirically, though our findings are largely qualitative in nature.

NOTES

- 1 For a comprehensive reading of the journey of indirect taxation towards GST, see Mukherjee and Rao (2019) and Bhattacharjee and Bhattacharjee (2018).
- 2 The definition for micro, small and medium enterprises is as per the MSME Act, 2006.
- 3 It was not possible to verify the annual records of the units (neither did all the units keep a book of accounts). Even the NSS rounds report only 12% of the enterprises to maintain a book of accounts, and data from the book of accounts is collected for a negligible percentage of enterprises (0.13%). During the survey, I saw a reluctance on part of the entrepreneurs to give details about turnover. In many cases, I provided them with the range (as used in this analysis: less than ₹20 lakh, between ₹20 lakh and ₹1 crore, and more than ₹1 crore), and then the information was much more forthcoming. Wherever possible, for example, in the case of grey cloth manufacturers, I triangulated the figures reported to me by asking about the capacity of the machines, the number of machines operated, days of operation, and the prices of grey cloth per metre, and so on.
- 4 The threshold for the optional composition scheme stands at ₹1.5 crore from 1 April 2019, bringing a parity to the earlier regime where manufacturers were exempt from the payment of central excise duty up to an annual turnover of ₹1.5 crore. The exemption limit from GST has been upped at ₹40 lakh. Further, states of India have been given the option to decide the exemption threshold from GST. Service providers making interstate supplies,

whose aggregate turnover does not exceed ₹20 lakh have been exempted from registration under GST.

- 5 This was again changed from 1 April 2019, via notification No 07/2019-Central Tax (Rate) 29 March 2019 to specify supply of goods related to construction activity liable for RCM.
- 6 These are a small number of companies that are vertically integrated and do most of the production in-house. They buy yarn from outside but do the weaving, printing and post-production work like embroidery in one factory.
- 7 For an account, see Subramanian (2018).
- 8 Author's personal interview with Ashish Gujarati, President of Pandesara Weavers' Association, Surat.
- 9 More than half of the enterprises surveyed reported that a majority of their transactions were still in cash. This was true for three-quarters of the micro enterprises and a quarter of the SMEs surveyed. These responses were in urban centres. It can be fair to expect a much higher percentage of cash-based transactions at the all-India level.

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'Piloting' Gender in the Indian Railways

Women Loco-pilots, Labour and Technology

ARUNDHATHI

Women loco-pilots in the Indian Railways, although few in number, face unique challenges as they negotiate with masculine forms of labour and technology in a male-dominated work environment. While, theoretically, they are treated at par with their male counterparts, new hierarchies are created on the job when they are expected to aspire to "masculine" standards of performance and discouraged from taking up the full range of tasks designated for loco-pilots. Thus, the entry of women in loco-piloting seems to reinforce its appearance as a masculine profession, and neither is the gendered nature of the system questioned, nor is it actively challenged.

Running a railway system not only requires trains, tracks, signals, stations and electricity but also people who are skilled to run this system. As of early 2020, there are 18 zones in Indian Railways, each further divided into divisions. The labour involved is also arranged in a hierarchy, with gang men and unskilled mechanical labour at the lowest rungs and the Railway Board in New Delhi at the top. Given its huge geographical expanse, Indian Railways has developed into a fragmented as well as hierarchical professional domain; the fragmented nature due to physical distances and the hierarchies as inherited from colonial times.

This article looks at one specific category of workers, namely women loco-pilots, or engine drivers, as they are known in common parlance. While the profession of engine driving is as old as the inception of the railways, women's entry into it is a fairly recent phenomenon, especially in the Indian context. Surekha Shankar Yadav is known as the first woman train driver in India, who joined the railways in the late 1980s (Think Change India 2018). Since then, several women have followed in her footsteps, in different zones across the country. However, the number of women loco-pilots is still low. In 2015, out of a total of 55,803 loco-pilots in India, only 291 were women.¹

For the purpose of this research, in-depth interviews of 10 women loco-pilots from two different zones of Indian Railways were conducted, and non-participant observation was undertaken to observe their working conditions. Informal discussions and conversations with several male loco-pilots were also conducted. This article is an attempt to understand these women's negotiations with labour and technology in a male-dominated workplace, and how this impacts the gendering of the very notions of labour and technology. Several other professions (such as the army) have also been traditionally male-dominated and continue to remain so, but I chose to look at loco-piloting, as there is scant literature in the Indian context on the struggles of women workers in the railways. While loco-piloting is in no way the only profession in the railways in which women are under-represented, it was chosen due to a combination of personal interest and a few stories circulated in the media that provided the fodder for initial research.

Labour and Technology in Postcolonial Times

As is common knowledge, the railways were introduced by the British, and in the initial days, although few in number, they dominated the railway hierarchy (Kerr 2007; Hurd and Kerr 2012). After independence, the railways were transferred

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completely into indigenous hands and, before long, all posts (both technical and non-technical) were taken over by Indians. This affected the Eurasians and Anglo-Indians severely, who had hitherto enjoyed monopoly over skilled jobs in the railways (Bear 2007). Although reservations for Anglo-Indians were maintained in the railways for some years, they were soon phased out. This development went hand in hand with the phasing out of outdated technologies as well. Anglo-Indians were mostly employed as drivers for steam engines, which started being phased out in the 1980s. A power controller had remarked to me in this regard that eligibility conditions (such as an Industrial Training Institute [ITI] qualification or diploma) for the job of engine drivers was announced somewhere around this time (personal interview, 2016), as new forms of traction required a different form of labour for their operations.

Viewed from the labour-process perspective, it is obvious that technical improvements lead to a deskilling of labour or to the privileging of certain kinds of labour over others. The labour-process perspective views technology as being hand in glove with capitalism, used by capitalists to their advantage and to the disadvantage of workers, providing greater productivity and lesser costs to the capitalists. This is perhaps most pertinent in the case of a profession like loco-piloting.

During the days of steam traction, engine driving did not require one to have a definite type of education. Many men would be inducted as firemen and get trained on the job. As steam locomotives gave way to electric and diesel locomotives, unskilled labour was forced to give way to skilled and educated labour. From the 1980s, the eligibility criteria for applying for the post of an assistant loco-pilot was an ITI diploma. Prior to the introduction of this eligibility criterion, the job of an engine driver was one that was an option for the marginalised (Eurasians and Anglo-Indian, and members of minority communities such as Indian Christians and underprivileged sections of Indian society during British rule). With the change in eligibility criteria, the job was opened to people from sections of society that had access to lower-level technical education. In doing so, eligibility criteria in terms of family heritage and race were now replaced by the access to modern, technical education (which was ultimately a product of caste, class and gender privileges) and new hierarchies were established.

Women's Entry into Loco-piloting

Although many women did work on construction sites along with their families in the initial days of the construction of railway lines, no records exist to give us exact figures or identities. When the railways were finally built, the debate shifted to women's access to railways and whether they were safe enough for them to travel, but there was no discussion surrounding women's work in or for the railways.

The percentage of women employees in the Indian Railways is barely 5.96% (as of 2013).² As one of the largest employers in India, this is a dismal figure. The dominance of men and the complete absence of women is more keenly felt in certain technically skilled jobs such as that of engineers or loco-pilots. Many women do not apply for this job due to its close association

with masculinity as it involves hard physical labour (although not so much these days compared to that of steam traction), engagement with technology, extensive mobility (and hence, staying away from home for long periods of time) and by extension, erratic work timings.

Given that loco-piloting was once an option for the marginalised, it is ironic that this profession opened its doors to women only after becoming an option for the privileged. Women started entering this profession once the ITI eligibility criterion was introduced. This meant that only women who were privileged enough to have a technical education could aspire for this job. Given that the number of women having access to technical education were few, it is only women privileged by their class and caste positions who entered this profession. Not all women I interviewed had the matriculate-cum-ITI qualification. Some came with higher qualifications such as a B tech or a diploma in engineering. Two of my research participants who held a B tech degree had previously worked with multinational companies. Four other women participants reported how they had simultaneously pursued graduation degrees in history and zoology. Two of them had also contemplated teaching in schools. Security of employment in a government establishment is what made them look at loco-piloting as an option, even when some of them were clearly qualified for more skilled jobs. This merits a critical reflection on how the entry of women into loco-piloting is not a fact to be celebrated, especially if it is taken up by women who are overqualified for the job. It suggests that women lack career options that match their advanced skill sets.

Nearly all women were introduced to loco-piloting by men. Some were asked to take the Railway Recruitment Board (RRB) examination by their fathers, while some attempted it along with their brothers. Some women found out about the job through male classmates while some others knew about the job from male relatives in the railways. In a nutshell, male gatekeepers for a male-dominated job facilitated the entry of these women into loco-piloting. Patriarchal familial relations and their replication also played a role in bringing as well as sustaining these women in this profession.

Similar to India, Western countries saw women taking up train driving in the 1970s and 1980s (at a time when the West had already witnessed the women's movements) (Cahn 1993). This was only after the replacement of steam engines by electric and diesel engines, which were "easier" to drive. Initially, it was believed that the easing of certain technologies would make way for women's entry into hitherto male-dominated professions. loco-piloting certainly proves this belief wrong. Despite trains becoming more "driver-friendly," the gendered codes governing labour required have not undergone much change. Those women who do enter this job struggle to make a place for themselves. The domination of men is reinforced both by the visible control over space and infrastructure as well as through their control over knowledge, skills and labour.

The women who were interviewed had taken for granted the disproportionately large presence of men in this profession. Having been exposed to technical education, which is also

male-dominated, these women did not necessarily feel awkward in the midst of so many men. Even during the days of training, many of the women were the only ones in their batch. Their experience of training was quite different from the actual working of the loco, not so much in the nature of the job, but in the nature of relations with male co-workers.

The training for loco-piloting consists of theory and practical lessons as well as some training on the simulator and footplate in order to get some hands-on experience of driving. While driving is an important component of a loco-pilot's job, it is equally important to figure out whether the engine is working fine and troubleshoot any issues as quickly as possible. Due to a rigid schedule for trains (which gets compromised more often than not), loco-pilots are often under pressure to drive on time and under emergencies, and if they are unable to troubleshoot and fix the loco themselves, they are supposed to contact and inform the power controllers.

Most women reported getting along fairly well with their colleagues during training. They were treated by their male colleagues as "sisters" and did not report any discomfort in the learning environment. The way in which most women spoke of their training could at best be described as dismissive. The reasons behind such an attitude could be several—the most important of those, perhaps, is how technology and technical training is often viewed as "neutral."

While such a view helped many of these women pick up the job skills, it did not allow them to question the nature of technology they were using. The gendered nature of technology becomes more apparent once they start working on the footplate, although women loco-pilots would not express it in terms of gendering.

For instance, some women assistant loco-pilots (ALPs) reported how they took a long time even to open the heavy door of the cab during their initial days. Even checking the engine would take longer because they would have to climb up and down the engine often, bending and stretching to check various parts. Climbing the engine would often be strenuous, as most locomotives would have a rather narrow, but steep ladder. This reflects the ways in which seemingly neutral aspects of the built environment would serve to exclude women or complicate their access to technical jobs. Most technologies that women use (whether domestic or otherwise) have almost never had women as their first intended users (Wacjman 1991). Since most of these technologies (for military or industrial uses) have been developed by men, for the use of men, women's comfort in being able to handle them has never been a priority at the design stage (Wacjman 1991). Since women are more conscious of using their bodies to do some work and experience of technology is mediated through the body, the physical nature of this engagement with technology was something that they were extremely conscious of.

A constant comparison with male counterparts was also prevalent and has its roots in the days of training, as a conversation with an assistant mechanical engineer (AME) revealed. This female AME would often oversee the training of women ALPs. She told me that she would often tell them, "not to be afraid and do it like a man" (personal interview, 2016). When men's performance becomes the benchmark in this job, women

are denied both individuality and a sense of connection with the job on the grounds of gender. Having no other women role models or even women trainers, all women ALPs/loco-pilots have to learn from their male counterparts. While this learning process is rather untroubled during the days of training, strained gender relations mark it during the actual job.

Experiences in the Engine Cab

It is common knowledge that loco-piloting is a highly stressful job, owing to tough physical conditions and erratic, long working hours. While these often cause severe psychological stress, women loco-pilots have emphasised issues such as lack of toilets, lack of women-only running rooms and the erratic timings of the job. While some of these are infrastructural issues, several other issues arise as men and women loco-pilots work together in the engine cab. These have implications for the association of technology with a certain gender, and this section aims to highlight these implications. Many women reported that they actually got along well with their male colleagues during training, and they would often help one another in learning. This seemed to change the moment they entered the job. Almost as soon as they entered service, women ALPs would either have to work with older, more experienced but slightly rigid male loco-pilots or sit in the crew lobby as they could not be sent on "unsafe routes." This would often result in two different outcomes. Depending on where these women worked, the attitude of their male co-workers would mostly be hostile, although for different reasons.

If women stayed in the lobby and did not actually take up the job of driving, they were often accused of taking the "easier" aspect of the job and not knowing the struggle of working on the footplate. It is not as if only women work in the lobby; sometimes even male loco-pilots are assigned to the lobby on grounds of ill-health or otherwise. When men occupy the lobby, no criticism is directed against them, but when women perform the same job, they are accused of performing "easier," and "lighter" tasks, when they were originally appointed for "harder" work. Work in the lobby is mostly of a clerical nature, and involves handling employment and leave records and scheduling of duties. Given that any division often deals with at least a few hundred loco-pilots, handling their individual records or scheduling their duties is no easy task.

Yet, the moment women are assigned this task, its value in the labour hierarchy falls. Since women perform clerical work and men drive the trains, men's work is immediately accorded higher respect. The technology that women are capable of operating (computers, in the case of the lobby) is seen as inferior to what the men can handle (the engines). No value is accorded to the skills of women in keeping the lobby running smoothly. When men perform the same technical labour in the lobbies, their skills are not devalued or looked down upon. They are probably seen as an extension of the "masculine" work needed to keep engines running.

What is also important to note is that this devaluation of clerical lobby work was not actually in practice before women entered the loco-piloting profession. With the entry of women,

a more visible form of gendering took place, which created a hierarchy, even within the tasks performed by a loco-pilot. This resulted in the footplate job being associated with the masculine, and the lobby tasks being associated with the feminine. This binary is analogous to other binaries such as that of private/public and stationary/mobile, which can also be read in terms of their gendered associations. The lobby is a “stationary” space, akin to the private. It is located in a fixed location on the station platform, and the relegation of women to this stationary realm is akin to the relegation of women to the private sphere, away from the “mobile,” “public” of the engine cab. This has several implications for women, in denying them the opportunity to exercise their potential, as well as from accessing certain forms of technology and know-how necessary for their professional growth.

All women who join the profession of loco-piloting enter the job with the necessary skills for this form of labour. However, when they are made to work in the lobby instead of the engine, they are unable to put to use any of the skills cultivated so far. As a result, their promotions get affected. To be promoted from one level of loco-piloting to another, one needs to have driven at least 60,000 km. If a woman stays in the lobby without any route miles to her credit, she cannot effectively move towards the glass ceiling, leave aside break it. This is one of the key reasons why women who join as loco-pilots but choose to stay in the lobby at the very beginning of their careers tend to get restricted. It is only with the growth in the number of women that the possibility of accommodating them in the lobby is no longer feasible.

This has led to women being sent to the engine cab, sometimes aligned with and sometimes against their wishes. Many women I spoke to said that they preferred sitting in the lobby or doing “stationary” duties. Although all the women I met had done footplate duty for a considerable amount of time, very few of them actively looked forward to it.

Since very few zones have women loco-pilots, most women ALPs accompany and assist male loco-pilots in the engine. This itself has been the cause of several issues ranging from awkwardness in working with older men in close physical proximity to not being able to fulfil certain “expectations” of fellow loco-pilots. When women do accompany men as assistants, they are often expected to do anything that a male assistant would do. This ranges from tasks such as checking diesel and water levels to bringing tea or snacks for the loco-pilot. While the former is the designated task of an ALP, the latter is a culturally determined obligation. For instance, some several women ALPs/loco-pilots told me that male ALPs would often jump out of a slow locomotive, which was just pulling into the platform, in order to buy tea or food for their seniors or remove their luggage from the locomotive at the end of duty hours. However, women ALPs could not be expected to wait on their male loco-pilots in such a fashion. This is because most women would not venture onto crowded platforms, risking their safety in order to fulfil the whims of a senior. All women told me that crowds could not be trusted, and in case of some mishap, the establishment would not hesitate to wash its hands off them since, officially, they were not required to do such tasks for their loco-pilot seniors.

Since this “feudal” relationship³ between loco-pilots and ALPs cannot be sustained between a male loco-pilot and a female ALP, many men refuse to take women along in the engine. Officially, a loco-pilot cannot choose which ALP to take along. However, in case of misunderstandings or awkwardness, crew controllers often step in and take such matters in their own hands. Regarding women, this matter assumes heightened importance, as women’s safety from sexual harassment has to be taken into consideration. The solution to this, as a power controller put it, was “We only send women ALPs along with those male loco-pilots who treat them as their sisters or daughters” (personal interview, 2016). This clearly points to the imagination of the workplace in terms of the patriarchal family unit and the engine cab becomes the site of the reproduction of patriarchal familial relations. There is a refusal to view women in any other role except that of sisters or daughters, both of which are vulnerable positions in the family unit, closely linked to the notion of honour, which needs to be protected. While this replication of patriarchal relations seems to be an easy solution to diffuse the tension between male and female employees, in practice, it does not actually work that way. Many women reported that the “decent” male loco-pilots would often let the women stay on in the engine cab if it was after dark or in any other such untoward circumstance, and do the tasks designated for the ALPs themselves. This would often lead to resentment among male loco-pilots, who would feel the burden of doing the job of both the loco-pilot and the ALP, further fuelling a sentiment to keep women away from the cab.

Another reason for not expecting anything from female ALPs was also a deep-seated fear of being accused of sexual harassment by them, as a power controller told me (personal interview, 2016). As a result of this, male loco-pilots would often try to avoid taking women along in the first place. In doing so, the men display a deep resistance to changing social as well as spatial norms. A power controller also remarked how, before the coming of women, even men of different castes would work together in harmony, but just refuse to share food with one another (personal interview, 2016). The very same men were now unable to come to terms with new gendered spatial dynamics, which would entail sharing space with a woman (sometimes, even as a senior; if the woman is a loco-pilot and the man an ALP), and hence, many men would consider it best to avoid working with women.

These strategies and workplace tensions point out the extent to which patriarchal notions of women’s safety and honour interact with the gendering of workplace relations in the profession of loco-piloting. Women have often claimed the need for unstinting familial support in order to continue in this profession, but what they probably do not expect is the replaying of certain familial relations and restrictions in this professional domain. It is ironic that while women need the support of a patriarchal familial unit to break out of the “private” and enter the “public” professional realm, it is the same patriarchal relations that govern the working of the professional realm as well.

None of the male loco-pilots I spoke to reported any technical incompetence on the part of women. Their chief complaint

was that women did not know the harsh realities of the job as they mostly avoided the difficult aspects of it. Even women who drove independently as loco-pilots, or assisted on all trains were often exempted from night duties, driving goods trains and outstation duties (this often depended on the decisions of senior officers, who took the plight of women into account and assigned them “easy” duties). This too contributed to the devaluing of women’s labour. Even if they were efficient with jobs, such as shunting or assisting, their labour was not accorded the same respect as men. The hierarchies in the loco-piloting job get firmly entrenched along gender lines.

Once one is promoted to the position of a loco-pilot, one can independently drive trains. This form of labour is slightly different from what is expected from an ALP because ALPs can only start or switch off the engine. Very few women I interacted with were loco-pilots and none were passenger/mail/express loco-pilots. Nevertheless, all of them talked about driving with fondness. One said that it was the most tension-free form of driving, as one only had to concentrate on the signal, and there was no traffic to bother about compared to driving a vehicle on the streets. Another loco-pilot echoed these sentiments, when she told me how she found her two-wheeler more cumbersome than the engine. But driving is not the only skill a loco-pilot is expected to master.

Any engine, when designed, is handled by at least 11 different engineers from different specialisations. However, a loco-pilot, who may operate any of the many different engines which ply on a route, is expected to know all these cabs inside out, even though they are only responsible for its operation and driving. This dichotomy between the expert and the operator and how a loco-pilot is expected to straddle both domains poses a problem, primarily for male loco-pilots. This is because most women loco-pilots do not get a chance to handle different types of engines, given that they are often sent on limited routes. This has serious implications for women’s access to certain types of knowledge as well as their consequent professional growth. This knowledge is not something one can be taught during training—it is more about hands-on learning. As one of my participants mentioned, one learns only by being on the locomotive (personal interview, 2016). She further went on to mention how male ALPs were often at an advantage over women ALPs because senior male loco-pilots would often willingly share their experience in order to train male ALPs. However, since many male loco-pilots often avoided taking women along as assistants, let alone talking to them, women ALPs were forced to learn from their experience on the line (which would often be limited as they might not be sent on all routes to begin with). Another participant loco-pilot remarked that one of the reasons she avoided interacting with male colleagues was that they never had any meaningful conversations about technical aspects of the job (personal interview, 2016). The male loco-pilot’s unwillingness to discuss any technical details about the engine or other technical know-how is evidence of their attempt to keep away certain forms of knowledge from women. While the intent may not necessarily be to keep women in the dark, women miss out on learning or gaining skills since men do not readily converse or interact with women.

Not all women ALPs and loco-pilots view this absence of interaction as a disadvantage. Some of them see it as the best part of their profession. There was no need to appease bosses or be at the beck and call of seniors for promotions. As long as one had one’s safety records and route mileage, promotions keep happening. However, this can only be said with absolute certainty when men and women have the same working conditions. If women have to struggle to even get line duty to begin with, it certainly points to something more than plain technical requirements at work. If men decide whether or not women are fit to do footplate duty, then, clearly gender is a huge part of how technology is kept running, something which feminists have been pointing out since the beginning of feminist critiques of science and technology.

Negotiating the Labour Union

The other aspect of the workplace where gender plays a key role is the All India Loco Running Staff Association (AILRSA), the loco-pilots’ union and the only officially designated forum for the discussion and negotiation of their issues. All the ALPs and loco-pilots I interacted with, whether men or women, reported paying the membership fees of ₹200 per annum to the AILRSA but none of them had ever attended its meetings or even approached it for resolving any of their issues. On probing a little more, loco-pilots and ALPs told me that the AILRSA was full of corrupt men who only joined the union to wield some influence over the seniors so as to prevent their transfers or line their pockets with the money collected as membership fees (personal interview, 2016). I got an opportunity to speak to only one senior union member, who emphasised the need for a separate union for the running staff due to the peculiar nature of the job, which other workers often did not understand (personal interview, 2016). He also stressed the necessity of a union to support ALPs and loco-pilots as there were no witnesses to attest to the actions of ALPs and loco-pilots due to the isolated nature of their jobs. The activities of the union included holding regular meetings to discuss issues plaguing the running staff. The most pertinent of these issues were the reduction of duty hours and the removal of the “signal passing against danger” (SPAD) clause.⁴ While negotiations with the establishment have yielded results in the form of reduction in duty hours (at least on paper), SPAD as an issue remains to be tackled.

Through the entire duration of my conversation with this union member centred around the various difficulties faced by the loco-pilots not once were women mentioned. Every time this member referred to his comrades, he would use phrases such as “our boys.” When I prompted him by mentioning the existence of women in the system, his response was that they were really few in number. He acknowledged that they could not be expected to “work as men” and due to this, they were confined to doing only some kinds of duties. He admitted that men were aware that women were given “preferential” treatment, and men were cooperative because women were very few in number. According to him, so far, since women had been very few in number, no conflicts had arisen between the two genders. However, he was not sure how things would change if more women entered the job.

Although this was only one conversation with a union member, it served to throw light on how gender had been marginalised as a concern in an arena that otherwise had the potential to initiate a dialogue on the aspect of the gendering of loco-piloting. Given that none of the office holders of the union were women and nor were any of the women ALPs and loco-pilots (who I interacted with) members of the union, there is little hope for any collective action towards promoting gender sensitivity or addressing the concerns of women. Several women ALPs and loco-pilots I spoke to mentioned the need for a women's collective or union since they did not feel that their needs were adequately addressed by the AIRLSA. However, they also rued the fact that the possibility of such an alliance was aborted due to the absence of a large number of women in this profession.

Driving On

In a job that has been the mainstay of men since its very inception, based on their access to and control of technical knowledge, women are confronted with a number of challenges. When they enter the job, they are expected to aspire to male standards of performance. When the "masculine" standards (such as being able to do night duties or drive goods trains) are difficult to aspire to, new hierarchies are created within the job, gendering certain aspects of the job and creating binaries into which various tasks get slotted.

This highlights how certain professions, owing to the continued presence of men, become gendered. However, the very entry of women is not sufficient to challenge or rethink this gendering process, and it often results in taking the gendering process to an extreme. For instance, women's inability to cope with certain jobs of the loco-piloting profession only serves to reinforce stereotypes about appropriate feminine roles and jobs (such as those in the crew lobby).

Technology, which could have been a possible ally in challenging gender roles, instead serves to entrench them firmly, either by creating divisions within the technologies used (computers in the crew lobby associated with the feminine and the engine cab with the masculine) or by denying access to certain technologies to women (not allowing them to drive, based not on technical but social reasons). Embodiment and technology

often function together to privilege certain body types for this profession. While a preference was given to Eurasians or domiciled Anglo-Indians in colonial times (Bear 2007), in contemporary postcolonial times, men are preferred for loco-piloting.⁵ This shows that erstwhile racial hierarchies have now been replaced by gendered hierarchies in engine driving. The entry of women in loco-piloting seems to reinforce its appearance as a masculine profession and because of this, neither is gendering of the system questioned, nor is it actively challenged.

The aspect of the gendered division of labour, particularly in loco-piloting, prompts one to reflect seriously on the running of Indian Railways as an organisation. Much has been said about how the railways runs on certain norms of colonial morality⁶ (Bear 2007), but the feudal as well as gendered overtones of the organisational structure merit closer examination. Despite loco-piloting being a well-paid profession, loco-pilots do not occupy positions of power within the railway hierarchy. The positions of power are occupied by those who enter the organisation by clearing the Union Public Service Commission standard entrance examinations, which clearly test one's theoretical knowledge rather than practical skills. Thus, even though technical skills are compensated monetarily, they do not possess the capacity to radically alter power hierarchies, which are more or less fixed since colonial times. Power is still in the hands of those with a "superior" intellect (which is a result of privileging certain forms of knowledge and those who have access to that kind of knowledge, such as, men belonging to upper castes and classes). Male loco-pilots then are subjected to a form of feudal exploitation and servitude, except that it is now legitimately permitted by the state through one of its own employment avenues. Where then do women loco-pilots belong? In attempting to negotiate their place in a work environment governed by the same rules as the patriarchal family, these women's access to any power whatsoever is even more curtailed than their male counterparts. While male loco-pilots often feel frustrated that their labour is not accorded due respect, women loco-pilots cannot even make claims to respect as they are often not allowed to engage in labour to begin with. Women bear the brunt of policies that are a result of a nexus of feudalism and patriarchy.

NOTES

- 1 This figure has been arrived at by compiling data received in response to a Right to Information (RTI) request filed by the author. Each zone sent division-wise data, and some divisions did not respond to the author's query due to which she has compiled the numbers of only those divisions which provided did supply information. What is also important to note is that not all parts of the compiled data were received at the same time. Responses were received between December 2014 and March 2015 and compiled after that.
- 2 The RTI Act query through which this statistic was obtained is numbered MORLY/R/2014/60701—from the Ministry of Railways, Government of India, on "Number of Women Employees in Indian Railways till March 2013."
- 3 This feudal relationship between drivers and their assistants also has its roots in colonial practices. Scholars such as Marian Aguiar (2011) note

how Eurasian and European drivers would often treat Indian firemen as their "valets."

- 4 In case a loco-pilot or ALP does not stop at a red signal, it is an offence punishable by immediate suspension and removal from service, unless and until further enquiries absolve the driver.
- 5 This has not become an official preference by rendering women ineligible to apply for the job on the grounds of sex, but by keeping them from doing line duty on biological grounds (like menstruation or pregnancy), the symbolic message that is repeatedly sent out is that women's bodies are not meant for such a job.
- 6 Practices such as "charge-sheeting" of an employee accused of wrongdoing and immediate suspension have their roots in colonial times (Bear 2007).

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Implementation of Community Forest Rights Experiences in the Vidarbha Region of Maharashtra

GEETANJOY SAHU

The Vidarbha region of Maharashtra presents a unique case in the implementation of community forest rights where much of the region's potential community forest rights claims have been recognised in the name of *gram sabhas* under the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006. The key factors like the collective action of gram sabhas, the role of non-governmental organisations, grassroots organisations, and state implementing agencies, and their collaboration in advancing the implementation of CFR are explained here. There is need to support the upscaling of CFR across India, and to analyse the broader implications for forest resource governance at a national scale.

The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 (hereafter FRA), recognises and vests two broad types of rights to forestland with forest-dwelling communities: individual forest rights (IFR) and community forest rights (CFR). While IFR secure an individual the right to hold, self-cultivate, and live in forestland under individual or common occupation, CFR have the potential to bring about radical changes in forest governance by, inter alia, conferring community forest resource rights and management authority on forest-dwelling communities. Over the last 12 years, a total of 76,154 CFR claims to 88,04,870.81 acres of forestland¹ have been recognised and, in many of the recognised CFR villages, forest dwellers have begun to exercise their rights. This includes harvesting and selling bamboo and kendu leaf (*Diospyros melanoxylon*), increasing forest protection and reducing destructive practices, managing fires, regenerating degraded patches, and identifying patches that require strict conservation in recognised forest areas. But the Vidarbha region of Maharashtra stands out from the rest of the country, as much of the region's potential CFR claims and areas fall under the customary and traditional boundary of *gram sabhas* (village assemblies) under the FRA. Most of the other states are yet to recognise CFR claims, and in the states that do so, the CFR area is less than the potential CFR area of the gram sabha.

The Vidarbha region of Maharashtra constitutes 31.6% of the total geographical area of the state and houses 21.3% of its total population (Government of India 2011). Around 28% of the tribal population of the state lives in this region, which has about 53% of the state's total forest cover (Ministry of Environment, Forests and Climate Change 2017). This area, with its large tribal population, suffers from inadequate development, poor infrastructure, poverty, unemployment, agrarian crises, and migration from rural areas. Recent attempts to attract investors by providing subsidies and various economic incentives have been unsuccessful as most prefer to invest in Mumbai–Thane–Nashik and Pune (Nagpur Today 2018). Due to the absence of livelihood and employment opportunities, forest dwellers in the Vidarbha region have largely depended on agriculture and forest resources for their subsistence. In such circumstances, the enactment of the FRA has given hope to forest dwellers who have been otherwise alienated from their forestland and deprived of its resources for centuries.

There are four aspects in which the Vidarbha region stands apart from rest of the country in its recognition of CFR. First, the boundaries of community forest areas in most parts of this

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region overlaps with the traditional and customary boundary of the gram sabha. Second, more than 1,500 villages in this region have asserted their rights over non-timber forest products (NTFP) by opting out of the traditional NTFP regime of the Maharashtra Forest Department. Third, since recognising CFR, the socio-economic benefits to forest dwellers have increased significantly. The fourth unique aspect of the Vidarbha region is the range of community forest resource management plans facilitated and supported by the Maharashtra Tribal Development Department along with grassroots organisations and non-governmental organisations (NGOs). Thus, it is worth discussing the processes and factors that contributed to the implementation of CFR and its impact on the socio-economic conditions of forest dwellers in the Vidarbha region of Maharashtra.

The analysis in the paper is based on case studies from 14 villages in three districts of the Vidarbha region—Gondia, Gadchiroli, and Chandrapur—and information obtained from gram sabha federation members, facilitating NGOs, and forest rights groups working in other parts of Vidarbha, namely, Nagpur, Amravati, Yavatmal, and Bhandara. Villages were selected based on the following criteria: villages with homogeneous and heterogeneous social groups; existing and potential CFR titles; Panchayats Extension to Scheduled Areas (PESA) and non-PESA; a gram sabha federation or a lack thereof; dense or openly degraded surrounding forest; and NGO intervention or a lack thereof in claiming CFR. Village-level information on the nature of CFR recognition and the process of obtaining it was collected by conducting focus group discussions and interviews with members of the gram sabha, the community forest rights management committee, and intervening NGOs and forest rights activists working to enforce CFR in the Vidarbha region. The impact of the recognition of CFR on the socio-economic conditions of forest dwellers was assessed through a household survey. State- and district-level officers dealing with the implementation of CFR were also interviewed to understand their role and methods of intervention following the recognition of CFR in the studied areas.

The study was carried out in two phases in April–May and September–December 2018. This paper is divided into four sections, including this part on background and methodology. The next section provides a detailed description of CFR implementation in the Vidarbha region. This is followed by an analysis on the key factors that contributed to the effective implementation of CFR in the Vidarbha region and the discussion.

CFR Recognition in Vidarbha

The recognition of CFR claims across India has been slow and ineffective. Of the 76,154 recognised claims, Madhya Pradesh, Chhattisgarh, Maharashtra, Odisha, and Gujarat are the top five states in terms of number of recognised CFR titles; together, these titles constitute 87.44% of all recognised CFR claims and 80.10% of recognised CFR areas in the country (Sahoo and Sahu 2019). Without crucial evidence and effective implementing agencies to facilitate the claim process, thousands of gram sabhas across India are yet to claim their CFR or have submitted claims without proper evidence, so that they are either pending or have been rejected at different stages (TISS 2017).

In several cases where CFR claims have been recognised, the recognised forest area is smaller than the claimed area, which is based on the traditional and customary boundaries of forest-dwelling villages. For example, the recognised CFR claims of several villages, such as Jamguda in Odisha, Chalkarikala in Jharkhand, Kamepur in Chhattisgarh, and many other villages across India, are not as per the traditional and customary boundary of these villages. The recognised area under CFR is either part of the joint forest management (JFM) area or an area decided on by members of the district-level committee.

Another major concern in the enforcement of CFR across India is that gram sabhas with recognised CFR are not allowed to exercise exclusive ownership rights to NTFP; the nodal agency and district-level line departments do not extend the required technical support to the gram sabhas to protect and conserve the recognised forestland. In contrast, the nature, process, and impact of CFR recognition in the Vidarbha region is unique in many ways. The following section highlights some of the most recent advances in the recognition of CFR claims, and the socio-economic benefits and management of recognised CFR areas in Vidarbha.

Nature and status of recognition process: Several facts and field insights from case studies indicate the effectiveness of CFR in Vidarbha. First, those in Vidarbha constitute 92% of all the CFR claims recognised in Maharashtra (of the 7,084 recognised claims in Maharashtra, 6,488 are from Vidarbha). Moreover, the number of pending and rejected claims is relatively lesser compared to in other parts of Maharashtra.² Also, 73% of the recognised community forest areas in Maharashtra are in this region (of 27,36,660.68 acres of forestland in Maharashtra, 19,85,296.1 acres of forestland are in Vidarbha). While the average recognised CFR forestland in Maharashtra covers 386.31 acres, the average recognised CFR area in the Vidarbha region covers 445.53 acres, which is greater than the national average of 115.62 acres (Sahoo and Sahu 2019). Second, the recognised CFR area in most villages precisely overlaps with the customary and traditional boundary of the village. Villages like Mendha Lekha, Pachgaon, Dhiwrintola, Palasgaon, Serpar, Dhamditola, and many others in the Vidarbha region have the rights to their customary and traditional forest areas as per the *Nistar Patrak*.³ Third, the recognition of a CFR claim is not based on the number of households in a village or the JFM areas it protects. For example, Bhimanpayili village in Kurkheda taluka of Gadchiroli has only 12 households and a CFR title for 4,000 acres of land. Also, a total of 1,935 villages in this region populated by other traditional forest dwellers (OTFD) have CFR titles. For example, Shankarpur village in Kurkheda taluka of Gadchiroli became the first OTFD village in the country to receive a CFR title. Another important feature of the CFR process in this region is that a total of 242 claims to 307.74 acres have been recognised for development projects under Section 3.2 of the FRA. For example, the Shankarpur Gram Sabha used around one hectare (ha) of land to set up a transformer for village electrification.

Harvesting rights to NTFP: One important provision of the FRA is that all powers related to the use and governance of NTFP

are transferred from the forest department to gram sabhas. With this regime transformation, gram sabhas have gained control over harvesting NTFP and have obtained the exclusive right to determine what and when to harvest, and where and to whom to sell the NTFP. However, gram sabhas have the option to continue with the traditional NTFP governance, led by the forest department, instead of acting autonomously. While forest departments across India continue to regulate the NTFP access, use, and disposal rights of forest dwellers, more than 1,500 villages in the Vidarbha region have exercised their rights to NTFP, especially kendu leaf and bamboo, in a remarkable way.

Mendha Lekha in the Dhanora taluka of Gadchiroli became the first village in the country to exercise its rights to bamboo under the FRA in August 2009. Drawing inspiration from Mendha Lekha, more than 1,500 villages in the Vidarbha region have opted out of the traditional governance and marketing of NTFP, controlled by the forest department. These villages have taken suo motu initiative and, sometimes, the support of grassroots organisations, to identify contractors and sell NTFP from their villages for better prices. More significant is how gram sabha members assert their rights to NTFP even when their CFR claims are yet to be recognised by the district administration.

Gram sabhas have framed a set of rules to deal with NTFP contractors: (i) payment for collected NTFP is made upfront instead of being delayed for years, as was the case in the earlier arrangement; (ii) upfront payment for the NTFP is used for agricultural activities, because of which dependence on the local landlord for credit has come down drastically; (iii) forest dwellers without bank accounts are paid in cash on the day of the sale and are not required to depend on middlemen to sell outside the gram sabha; (iv) contractors pay insurance coverage in the case of any accident during the collection of NTFP; (v) NTFP collectors are not responsible in the case of any damage to NTFP materials after pickup due to natural calamities like fire or rain, and it is the sole responsibility of the contractor to pack and export NTFP materials from the village to markets; and (vi) the gram sabha will not issue a transit permit pass to a contractor to transport NTFP materials, unless the latter makes the full payment as per the agreement.

According to Ramkumar Madavi of Palasgaon village in Gondia district, gram sabha members in this region believe that the “recognition of [a] CFR claim is only a process and their rights over NTFP have already been recognised under Section 3(i)(c) of [the] FRA. [A] pending claim doesn’t mean rejection or denial of their rights over NTFP.”²⁴ Indeed, villagers do not wait for the forest department to issue the transit permit book in order to dispose of forest products. For example, the gram sabha of Dhiwrintola village in Gondia district has printed its own transit permit book, as required under the FRA, which enables the contractor to take NTFP materials from the village to the godown or nearby market.

Emergence of gram sabha federations: One of the most important outcomes of CFR enforcement in Vidarbha is the emergence of gram sabha federations in this region, facilitated by grassroots organisations and NGOs. Despite the enactment

of the FRA and provisions for community rights to NTFP, gram sabhas continued to face hurdles and harassment at the hands of contractors and the forest department (Sahu et al 2017). Realising the power of contractors and the forest department, and the monopoly they have over forestlands and NTFP, several gram sabhas have come together to form gram sabha federations at the taluka level without compromising their autonomy and rights recognised under the FRA.

The idea of gram sabha federations has become popular and has spread to other regions of Maharashtra over the last five years. It did not take long for tribal villages, especially in Fifth Schedule Areas, to come together under one platform because collective action has traditionally been a part of tribal governing structures. In the Korchi taluka of Gadchiroli, 87 villages formed a gram sabha federation in December 2016 to increase their bargaining and negotiation powers vis-à-vis the state and market agencies with regard to the disposal of NTFP. Similar associations of gram sabhas have been formed in Dhanora, Kurkheda, Bhamragarh, and Etapalli talukas of Gadchiroli; Sadak Arjuni and Deori talukas of Gondia; Ramtek taluka of Nagpur; Dharni and *Chikhaldara talukas* of Amravati; and Maregaon and *Pandharkawada talukas* of Yavatmal. Each gram sabha federation is organised as a multi-tiered network at the taluka level and has provided a platform to thousands of forest dwellers to voice their concerns about the NTFP governance process. These associations, through their executive committees that consist of two representatives from each gram sabha, identify contractors, bargain with them about price and payment, and engage with district administrations to address the hurdles that gram sabhas face.

Along with NGO alliances and grassroots organisations, gram sabha federations have challenged conventional NTFP governance processes and have shown great interest in the introduction of scientific approaches to harvesting NTFP and the sustainable conservation of forest sources. However, gram sabha federations think beyond just NTFP and work towards the overall development and empowerment of communities. Discussions with members of gram sabha federations from Dhamditola in Gondia, Mendha Lekha in Gadchiroli, Payvilhir in Amravati, and Awalgaoon in Yavatmal reveal that the gram sabhas in these villages have demanded the integration of line department schemes at the district level with those targeted at forestlands and resources. By bridging forest dwellers’ immediate social and economic needs with line department schemes, gram sabha federations have played a crucial role in shaping the agenda and priorities of local and district administrations. As a result, there have been tangible economic benefits in these villages.

Socio-economic benefits: There is a great deal of scepticism in the CFR management literature, especially in developing societies, about the possibilities for equitable decision-making and the sharing of benefits from effective resource management among diverse social groups through community-driven governance processes. This concern stems from the fact that social structures in these societies are riddled with hierarchies,

patriarchal practices, inequality, and unequal distributions of power; these societies also lack vigilant civil society, the social auditing of public policy, and adequate access to information and decision-making power. In India, several supposed community involvement programmes, including the widely discussed JFM, exemplify the hijacking and appropriation of decentralised forest resource management processes by powerful local elites and bureaucrats (Lele 2014). This is due to the partial recognition of community rights to and power over forest resources and the absence of well-defined principles of accountability and responsiveness in the use and management of forest resources.

Even after the enactment of the FRA—which clearly defines the role and responsibilities of gram sabhas and implementing agencies in facilitating and supporting forest dwellers in the enforcement of the act—local elite capture (village-level powerful persons deciding the terms and conditions for kendu leaf harvesting and auctioning), contractor hegemony, and forest department monopoly over forestlands and resources continue in several parts of India. Learning from past experience, intervening NGOs and gram sabha members in the studied areas have developed rules and regulations to ensure the transparency, accountability, and participation of forest dwellers—especially women and those from landless households—in the benefit sharing and decisions about forest resource management.

Discussions with villagers and results from the household survey conducted in the studied areas reveal that there has been a significant change in the socio-economic conditions of forest-dependent people in the period after CFR recognition. A major economic benefit is that the income of households from kendu leaf harvesting has increased significantly in comparison to during the kendu leaf governance regime led by the forest department.

Table 1 explains the price difference for kendu leaf under two different regimes—the kendu leaf auctioning price under Korchi Gram Sabha Federation and the kendu leaf auctioning price under forest department.

Table 1: Price of Kendu Leaf in Auctions by the Forest Department and Korchi Gram Sabha Federation

Average Price Paid Per Standard Bag* of Kendu Leaf (₹)					
Forest Department Auction			Federation Auction		
2014	2015	2016	2017	2018	2019
2,173	1,691	4,459	7,303	4,614	5,700

*Each standard bag of kendu leaf consists of 1,000 bundles and each bundle has 70 leaves. Source: Korchi Gram Sabha Federation (2019).

The recognition of CFR to NTFP has transferred the decision-making power to communities to decide when, where, how, and to whom to sell the NTFP that they collect. The remarkable impact of ownership rights to these forest products on income and empowerment is evident in several parts of the Vidarbha region, where community rights under the FRA have been implemented at scale; almost 20 lakh acres of forests have been transferred to the jurisdiction of gram sabhas. The information

Table 2: Income from Kendu Leaf in the Vidarbha Region (2017–18)

District	Number of Villages	Income from Kendu Leaf (₹)
Gadchiroli	162	23.36 crore
Gondia	36	7.44 crore
Amaravati	28	1.13 crore
Yavatmal	17	57.73 lakh
Nagpur	3	47.32 lakh
	246	32.98 crore

Source: Information obtained by the author from the studied areas in the Vidarbha region.

obtained from gram sabha federations, NGOs, and forest rights groups from this region reveals how exclusive ownership rights to NTFP, especially kendu leaf, has resulted in better economic returns for thousands of forest-dwelling households in this region. People in these villages earned a total of nearly ₹33 crore in 2017–18 from kendu leaf alone (Table 2).

Another socio-economic benefit is that dependence on middlemen for credit has come down drastically as the payment for NTFP like kendu leaf and bamboo is made before 30 June every year, which helps forest dwellers finance their agricultural activities. The household survey administered in the studied areas revealed that migration has reduced and, in some areas, reverse migration has started. For instance, in Pachgaon village in Chandrapur, where migration was rampant, employment opportunities through CFR—such as bamboo harvesting, forest fire line demarcation, and patrolling—have helped to reverse the situation today. Survey results from all the 66 households in Pachgaon and information obtained from focus group discussions revealed that not a single unskilled member from this village migrated to another area in the last three years. The recognition of exclusive rights to bamboo has not only resulted in better economic returns but has also provided work for over 150 workers from the village between October and June every year. The improvement in their economic condition has empowered the landless, marginalised forest dwellers and women to be more assertive in decision-making processes at the gram sabha and panchayat levels (Sahu et al 2019a).

Sustainable use and protection of forest resources: Several wildlife conservation groups have expressed concerns about forest dwellers' ability and skill to use and manage the recognised CFR area in a sustainable manner. This concern stems from the fact that CFR holders focus largely on meeting the subsistence needs of rural people for fodder, firewood, and minor forest products but do not adequately attend to the conservation and management of recognised forest areas. Since the enactment of the FRA, some have speculated and opined that the recognition of rights to forestland and resources have led to the disappearance and degradation of forests (Shrivastava 2015; Sahgal 2017; Goenka 2018).

Field insights from the studied areas, however, suggest that there has been an increasing sense of responsibility among forest dwellers to protect, improve, and regenerate their recognised forest resources. In the Vidarbha region, evidence from several villages shows that 12 years since implementing the FRA, the prediction that conservationists made regarding the devastation of forests and wildlife has not materialised. In fact, there is counterfactual evidence that, in many cases, the effective recognition of rights, particularly community rights, has led to much better protection of forests and wildlife. Discussions with community members and forest officers in this region reveal that, in the recognised community forest areas, forest regeneration has increased and forest fires have reduced; in the earlier forest governance arrangement led by the forest department, these areas were not given adequate attention by

the forest dwellers. In May 2018, at least 5,000 ha of land under the control of the Forest Department and the Forest Development Corporation of Maharashtra was gutted by massive forest fires in several parts of Gondia. Meanwhile, there was no incidence of a forest fire in the recognised community forest areas, spread over 98,864 acres and controlled by 1,357 gram sabhas in Gondia.⁵

Similarly, bio-physical variables gathered from satellite images of several villages with recognised CFR disclose an increase in forest cover compared to before forest rights were recognised. For instance, in Payvahir village of Amravati, the once barren 182 ha of land recognised under the FRA has been converted into a lush green forest due to the efforts of gram sabha members from the village. The efforts of the villagers were recognised in 2014 when Payvahir village was awarded the India Biodiversity Award by the United Nation's Development Programme (UNDP) for successfully improving the forest quality and cover. The village was also honoured by Sanctuary Asia with the Maharashtra Wildlife Service Award, which recognises its invaluable contribution to environmental conservation in the state in 2015.

Forest dwellers in Pachgaon village decided not to harvest minor forest produce from CFR recognised areas, which villagers have traditionally worshiped. Of the 1,006 ha of forestland with recognised CFR, villagers have preserved 85 acres as a sacred grove and have decided not to harvest resources from this part. These villagers have also decided not to harvest kendu leaves, as migratory birds eat the kendu fruit every year. Kendu leaves and fruits are used for different commercial purposes. The leaves are used as raw materials to make beedis and the fruits, a good source of carbohydrates and calcium, are eaten by the forest dwellers. The villagers could earn lakhs of rupees by harvesting kendu leaves, as do villagers across Maharashtra; however, dwellers of Pachgaon are not interested in this. Instead, every year, the gram sabha spends ₹4–₹5 lakh on patrolling the forest to protect it from neighbouring villagers who pluck kendu leaves illegally in Pachgaon.⁶ This shows that the villagers are more concerned about conserving forest resources than about simply asserting rights and gaining economic benefits from forest resources.

Contributing Factors

Various factors have shaped the outcomes of CFR implementation in the Vidarbha region. The objective here is not to provide a complete set of factors, but to outline key factors and their correlations to advancing the implementation of CFR. This attempt is also not to offer a model for the enforcement of CFR in other states, but to contribute to the existing body of knowledge about CFR implementation. The following section highlights some critical factors that have influenced the current state of CFR in Vidarbha.

Implementing agencies: The Ministry of Tribal Affairs (MOTA) at the federal level, and the tribal development department or welfare department in each state, are the nodal agencies in the enforcement of the FRA. However, in Maharashtra, in addition to the tribal development department, the planning department,

rural development and panchayat raj department, the governor's office has played a crucial role in facilitating the implementation and recognition of the importance of CFR. Together, these four departments issued 87 orders in 2008–18 to expedite the CFR implementation process and to provide resources and institutional support in the post-recognition phase (Sahu et al 2019b). Some of the orders issued by the tribal development department include: appointment of forest rights coordinators at the district level to facilitate the claims of gram sabhas; constitution of an FRA cell in every district to update and consolidate forest rights claims; review of rejected claims; regular monitoring and time-bound implementation of forest rights; constitution of a convergence committee at the district level to integrate line department schemes with community forest rights holders; special grants to gram sabhas to prepare community forest resources management plans; seed grants to gram sabhas to dispose of NTFP; regular training and capacity building programmes for the sub-divisional level committee (SDLC), district level committee (DLC), and line department officers on forest rights recognition and integration of programmes in the post-recognition phase; and most importantly, challenging any conflicting policies at the state level that seek to have an impact on the letter and spirit of the FRA. These and many other enabling orders have significantly raised the hopes of forest dwellers in asserting their rights over forest resources.

Likewise, the order of 16 February 2015 by the rural development department gives options to gram sabhas in Fifth Schedule Areas to decide how, where, when, and to whom to sell their kendu leaves. This order has made a huge impact on the economic conditions of people in this region over the last three years.⁷ For example, in 2018, 1,171 villages in the Gadchiroli district opted to sell kendu leaves directly to contractors, who provided them a better price than did the forest department tender process.⁸ Similarly, the planning department in Maharashtra issued an order on 16 May 2018 to provide funds for NTFP use and disposal by gram sabhas in Fifth Schedule Areas.

The governor's office in Maharashtra has been active in upscaling the implementation of CFR in Vidarbha. Over the last few years, the governor of Maharashtra has modified a variety of state and federal laws in order to protect and improve the rights of tribal people. These notifications have ensured the modification of state NTFP rules to the advantage of tribal communities; guaranteed that state laws align with the requirements of PESA; provided autonomy to gram sabhas to make decisions about land alienation and the protection of commons; and amended provisions to ensure devolution to Scheduled Area gram sabhas to match the requirements of PESA. A separate dedicated tribal cell was set up in the governor's office in 2013 to undertake studies or surveys on socio-economic indicators to ascertain the status of the tribal community and the impact of various welfare measures, including forest dwellers' rights to NTFP, initiated by the government. These interventions are unprecedented in comparison to the actions taken by the governor's office to promote the rights of forest dwellers in Fifth Schedule Areas

in the other nine states. The governor's office, along with the tribal development and rural development and panchayat raj department, has enabled forest dwellers to assert their rights to forest resources and has neutralised the role and power of the forest department, which hitherto was reluctant to deregulate the norms and rules related to NTFP and to recognise the rights of forest dwellers to their customary and traditional forest boundary.

Active NGOs and grassroots organisations: It is well known that hundreds of NGOs are involved in promoting community forest resource management programmes across India, but there has not been any systematic attempt to analyse their impact on the socio-economic conditions of forest dwellers and the state of forest resources. However, recent studies on the role of NGOs in community forest resource management in India have yielded mixed results (Barnes and Laerhoven 2014; Baruah 2011). These studies have advocated for the active involvement of NGOs to produce tangible benefits for forest dwellers and to make community forest resource management processes sustainable and democratic. Such active participation by NGOs in community forest resource management is already being witnessed in the Vidarbha region of Maharashtra.

Forest-dependent communities in the Vidarbha region have been mobilised by a number of grassroots organisations and NGOs to actively defend their claim to customary and traditional forest resources and demand their use of, and access and disposal rights to, minor forest produce. Some NGOs working in the field of forest rights and governance in the Vidarbha region include: Vidarbha Nature Conservation Society (VNCS), Vrikshamitra, KHOJ, Gramin Samassya Mukti Trust (GSMT), YUVA, Paryavaran Mitra, Srishti, Amhi Amchya Arogyasathi, and Gram Arogya. These NGOs were working in most parts of Vidarbha even before the enactment of the FRA, and their long association with villagers has helped them to easily familiarise gram sabha members with CFR. What makes these NGOs unique in the Vidarbha region is that their involvement in facilitating CFR claims does not solely depend on funding agencies to generate a certain number of claims within a specified time period. Instead, the NGOs orient and involve gram sabha members to take ownership of the whole claim process.

Unlike NGOs in many other parts of India,⁹ these NGOs have not limited their focus to the claim process, but mobilised gram sabha members to assert their rights to NTFP in the post-recognition phase. Realising that tangible benefits from forest resources can sustain collective action and motivate villagers to join community forest resource rights campaigns, these NGOs have been in constant dialogue with state and district administrations to deregulate the minor forest produce rules of the state and converge line department schemes with forest rights holders' recognised land and forest resources. This has resulted in several enabling orders being issued and power decentralised to gram sabhas in decision-making processes related to forest resources. Implementing agencies such as the tribal development department and governor's office acknowledge

the importance of these NGOs. These implementing agencies seek the perspectives of these NGOs and have involved some NGO representatives in drafting orders, circulars, and notifications aimed at CFR empowerment and expansion.¹⁰

Contextual factors: There is a general perception that the implementation of public policy and statutory law undergoes a linear process of institutional actions through established procedures and rational steps, which leads to desirable outcomes. In reality, the implementation of statutory law is a dynamic, rather nebulous, process that constantly shifts in content and emphasis. The implementation of public policy depends on the prevalent socio-economic, political, and cultural contexts (Trostle et al 1999). It is, therefore, important to contextualise the progressive direction of CFR in Vidarbha over the last decade within the socio-economic and political histories of the region.

Over the last seven decades, there have been a series of movements across social groups in the Vidarbha region of Maharashtra to demand control over forest and land resources, development programmes, employment opportunities, autonomy, and identity. Some of these movements include: the Bhoodan and Gramdan Movements in the 1950s and 1960s, which were followed by a demand for employment guarantee for the rural population in the 1970s, and the continuous demand for a separate state of Vidarbha (Amrutkar 2009).

Among these movements, the struggle of forest dwellers, especially in the Fifth Schedule Areas of the Vidarbha region, for control over forestland has been the most contentious. There are 11 districts in this region, of which four are within Fifth Schedule Areas and six are affected by left-wing extremism. Around 80% of the state's mineral resources are located in the Vidarbha region. Irrespective of ideological differences, political regimes have been reluctant to recognise the traditional and customary rights of forest dwellers to forestlands that are also mineral reserves. Though community forest resource management has long been propagated as part of the JFM programme in this region, and as a means to enhance local engagement with the forest governance structure, forest dwellers have never had the opportunity to function independently under the JFM programme due to excessive bureaucratic burdens. However, subsequent legislation, including PESA and the FRA, recognise the gram sabhas' autonomy and decision-making power over the use of, and access and disposal rights to, forest resources. These two acts and the orders issued from the Governor's Office of Maharashtra have provided a legal platform to forest dwellers who have been organising and mobilising for several decades to assert their traditional and customary rights to forestland and resources.

Recognising strong collective action, local leadership, and the presence of several other key contextual factors—active NGOs, a long history of tribal councils in Scheduled Areas, the continuous demand for a separate state, law and order problems due to rising left-wing extremism, and a lack of implementation, and failure of, several promises to improve the region—the government agencies, especially the forest department, have found it difficult to interfere with the autonomy and

decision-making power of gram sabhas as recognised under the FRA.¹¹ In fact, as stated above, a series of enabling orders issued by the tribal development department, governor's office, and rural development and panchayat raj department—ranging from rights to NTFP to obtaining prior consent of the gram sabhas before diverting ownership of and control over forestland in Scheduled Areas—have set a precedent for thousands of villages in Vidarbha to exercise their rights to forest resources under the FRA.

In Conclusion

The experiences from the Vidarbha region provide rich insight into what it takes to execute CFR and its implications for socio-economic conditions and the governance of forest resources. The analysis has considered the relatively recent advances in the post-recognition phase in several villages of Vidarbha. Most of these experiences reveal the relationships between implementing agencies, NGOs, and gram sabhas in the enforcement of CFR. The discussion reveals that institutional support in the period after the forest rights claim

process is crucial to enhancing and empowering forest-dwelling communities to assert their rights beyond just access to minor forest products. This paper also advances the view that the mere presence of implementing agencies will not result in the policy being precisely executed because, in the absence of any demand for participation and capabilities to participate among possible beneficiaries, public policy is likely to be ineffective (Fleischman and Rodriguez 2018). The variation in the implementation of CFR within Maharashtra is testament to the fact over the last 12 years. Successful recognition of CFR and exercising recognised rights must inevitably require negotiation power and a willingness among stakeholders to enforce and follow procedures established by the law and, importantly, ensure consistent collective action at all levels. While the discussion on CFR implementation is based on a small sample of villages in Vidarbha, looking at the details of the impact of CFR on socio-economic conditions and the governance of forest resources can yield some useful insights for policymakers, scholars, and practitioners working in the field of CFR.

NOTES

- 1 For more details, see the monthly update on the status of implementation of the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 from the Ministry of Tribal Affairs, Government of India.
- 2 For more details, see the monthly update on the status of implementation of the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act 2006 from the Tribal Research and Training Institute (TRTI), Pune.
- 3 *Nistar Patrak*, which refers to the rights conceded during the settlement process in Maharashtra, outlines the land use pattern of the village and recognises customary and traditional rights, including access to forestland and minor forest products made by people in rural areas.
- 4 This information was shared by Ramkumar Madavi, gram sabha member of Palasgaon, during field work.
- 5 This information was gathered from interviews with local forest users, intervening NGOs, and other selected key informants, such as forest officers from Gondia district.
- 6 In 2016–17, the Pachgaon Gram Sabha paid a total of ₹5,84,000 in wages to villagers involved in patrolling their forest for almost a month, to prevent neighbouring villagers from stealing kendu leaves.
- 7 The Government Resolution issued on 16 February 2015 by the rural development department of Maharashtra, gives Gram sabhas two options for whom to sell their kendu leaves to. The first is the forest department, that is, the traditional NTFP governance structure, and the second involves identifying a contractor and selling kendu leaves independently.
- 8 This information was obtained from the PESA Cell of the Gadchiroli Collectorate Office during fieldwork in April 2018.
- 9 For more details, see TISS (2017), a project report submitted to Oxfam India.
- 10 This information is based on my discussions and participation at several meetings of the tribal development department in Maharashtra.

There is regular involvement of NGO representatives in facilitating various government schemes aimed at improving and protecting the rights of tribal people.

- 11 Several civil society members and government officers shared this information with me during my research work in the Vidarbha region.

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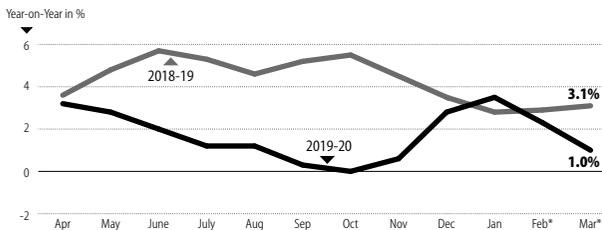
Wholesale Price Index

The year-on-year (y-o-y) WPI inflation rate decreased to 1.0% in March 2020 from 3.0% a registered a year ago and 2.3% a month ago. The index for primary articles decreased by 3.7% compared to 4.9% reported a year ago and 6.7% a month ago. The index for food articles decreased by 4.9% compared to 5.2% recorded a year ago and 7.7% a month ago. The index for fuel and power declined by (-)1.8% against 4.6% and that for manufactured products decreased by 0.3% compared to 2.2% a year ago.

Consumer Price Index

The CPI-inflation rate increased to 5.9% in March 2020 from 2.9% registered a year ago, but was lower than 6.6% reported in February 2020. The consumer food price index rose by 8.8% against 0.3% reported a year ago, but was lower than 10.8% a month ago. The CPI-rural inflation rate stood at 6.1% and the urban inflation rate at 5.7% compared to 1.8% and 4.1%, recorded a year ago. As per Labour Bureau data, the CPI-inflation rate of agricultural labourers (CPI-AL) increased to 9.0% in March 2020 from 4.2% registered a year ago and that of industrial workers (CPI-IW) decreased to 6.8% in February 2020 from 7.0% reported a year ago.

Movement of WPI Inflation April–March



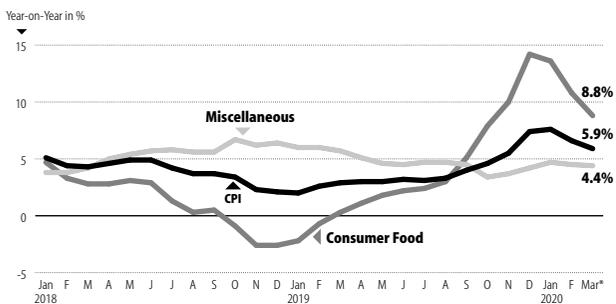
* Data is provisional; Base: 2011–12 = 100.

Trends in WPI and Its Components March 2020* (%)

	Weights	Over Month	Over Year	Financial Year (Averages)		
				2017–18	2018–19	2019–20
All commodities	100	-0.9	1.0	2.7	3.1	1.0
Primary articles	22.6	-2.5	3.7	0.9	4.9	3.7
Food articles	15.3	-2.1	4.9	-0.2	5.2	4.9
Fuel and power	13.2	-3.1	-1.8	4.7	4.6	-1.8
Manufactured products	64.2	0.0	0.3	3.1	2.2	0.3

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

Movement of CPI Inflation January 2018–March 2020



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

CPI: Rural and Urban March 2020* (%)

	Latest Month Index	Over Month	Over Year	Financial Year (Avg)	
				2018–19	2019–20
CPI Combined	148.7	-0.3	5.9	3.4	4.3
Rural (2012=100)	149.8	-0.4	6.1	3.0	5.4
Urban (2012=100)	147.4	-0.2	5.7	3.9	4.8

CPI: Occupation-wise

	Latest Month Index	Over Month	Over Year	Financial Year (Avg)	
				2018–19	2019–20
Industrial workers (2001=100)#	328.0	-0.6	6.8	3.1	5.4
Agricultural labourers (1986–87=100)	1007.0	-0.3	9.0	2.1	8.0

* Provisional; # February 2020; Source: NSO (rural & urban); Labour Bureau (IW and AL).

Foreign Trade

The trade deficit narrowed down to \$9.8 bn in March 2020 compared to \$11.0 bn reported a year ago. Exports declined by (-)34.6% to \$21.4 bn and imports by (-)28.7% to \$31.2 bn from \$32.7 bn and \$43.7 bn, respectively. Oil imports were lower by (-)15% at \$10.0 bn and non-oil imports by (-)33.8% at \$21.2 bn from their respective values of \$11.8 bn and \$31.9 bn registered a year ago. During the financial year 2019–20, cumulative exports declined by (-)4.8% to \$314.3 bn and imports by (-)9.1% to \$467.2 bn from \$330.1 bn and \$514.1 bn, respectively.

Index of Industrial Production

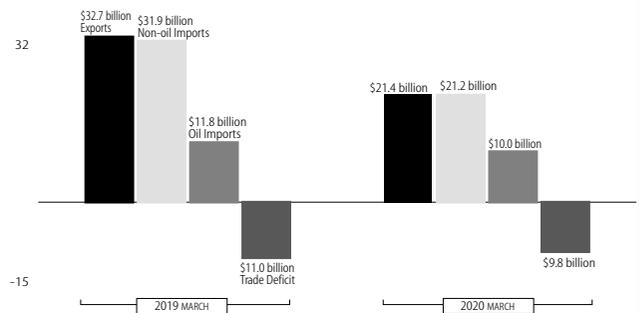
The y-o-y growth rate of IIP increased to 4.5% in February 2020 from 0.2% registered a year ago with growth in manufacturing sector increasing to 3.2% from -0.3%. Production in mining sector rose by 10.0% and electricity generation by 8.1% compared to 2.2% and 1.3%, respectively, a year ago. As per use-based classification, capital goods production declined to -9.7%, consumer durables to -6.4% and infrastructure goods to 0.1% against their respective growth rate of -9.3%, 0.9% and 1.9%. Production of consumer non-durables remained unchanged at 1.9%.

Merchandise Trade March 2020

	March 2020 (\$ bn)	Over Month (%)	Over Year (%)	April–March (2019–20 over 2018–19) (%)
Exports	21.4	-22.6	-34.6	-4.8
Imports	31.2	-16.9	-28.7	-9.1
Trade Deficit	9.8	-0.9	-11.3	-16.9

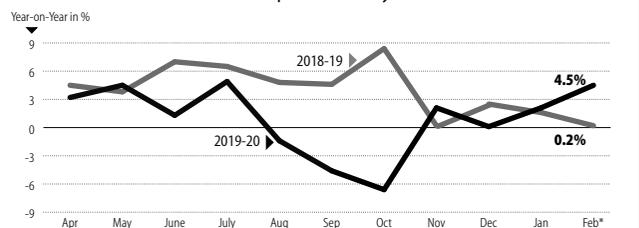
Data is provisional. Source: Ministry of Commerce and Industry.

Components of Trade March 2019 and March 2020



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

Movement of IIP Growth April–February



* February 2020 are quick estimates; Base: 2011–12=100.

Industrial Growth: Sector-wise February 2020* (%)

	Weights	Over Month	Over Year	Financial Year (Avg)	
				2017–18	2018–19
General index	100	-2.8	4.5	2.3	2.9
Mining	14.4	-0.4	10.0	4.6	3.9
Manufacturing	77.6	-3.1	3.2	5.4	5.2
Electricity	8.0	-4.2	8.1	4.4	3.8

Industrial Growth: Use-based

	Weights	Over Month	Over Year	Financial Year (Avg)	
				2018–19	2019–20
Primary goods	34.0	-2.4	7.4	3.7	3.5
Capital goods	8.2	-5.1	-9.7	4.0	2.7
Intermediate goods	17.2	-1.4	22.4	2.3	0.9
Infrastructure/Construction goods	12.3	-1.8	0.1	5.6	7.3
Consumer durables	12.8	-5.4	-6.4	0.8	5.5
Consumer non-durables	15.3	-3.0	0.0	10.6	4.0

* February 2020 are quick estimates; Base: 2011–12=100; Source: NSO, Ministry of Statistics and Programme Implementation.

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

ECONOMIC & POLITICAL WEEKLY

India's Quarterly Estimates of Final Expenditures on GDP

₹ Crore At 2011-12 Prices	2017-18				2018-19				2019-20		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Private final consumption expenditure	1769688 (9.3)	1750056 (5.5)	1911901 (5.3)	1948174 (7.7)	1889008 (6.7)	1903853 (8.8)	2046415 (7.0)	2068781 (6.2)	1983491 (5.0)	2010993 (5.6)	2166235 (5.9)
Government final consumption expenditure	362769 (21.6)	367882 (7.4)	319547 (10.5)	293024 (8.9)	393709 (8.5)	407780 (10.8)	341988 (7.0)	335088 (14.4)	428390 (8.8)	461585 (13.2)	382338 (11.8)
Gross fixed capital formation	958859 (0.7)	967190 (5.9)	1014300 (8.8)	1120846 (13.7)	1082670 (12.9)	1077942 (11.5)	1130201 (11.4)	1170154 (4.4)	1129470 (4.3)	1033344 (-4.1)	1071887 (-5.2)
Change in stocks	49996 (61.7)	54050 (75.8)	52497 (78.3)	59252 (79.6)	64131 (28.3)	66159 (22.4)	63999 (21.9)	70126 (18.4)	66411 (3.6)	66732 (0.9)	64668 (1.0)
Valuables	62905 (80.1)	46317 (25.0)	39512 (11.2)	43927 (1.5)	41080 (-34.7)	44629 (-3.6)	39252 (-0.7)	44773 (1.9)	49519 (20.5)	49919 (11.9)	41824 (6.6)
Net trade (Export-import)	-137041	-85422	-128661	-125231	-122238	-141491	-104580	-51925	-117247	-76415	-50489
Exports	627176 (3.9)	639543 (4.5)	646620 (4.4)	688438 (5.0)	686695 (9.5)	719352 (12.5)	748505 (15.8)	767991 (11.6)	708771 (3.2)	703973 (-2.1)	707407 (-5.5)
Less imports	764217 (21.8)	724965 (10.5)	775281 (14.1)	813669 (23.6)	808933 (5.9)	860843 (18.7)	853085 (10.0)	819916 (0.8)	826018 (2.1)	780388 (-9.3)	757896 (-11.2)
Discrepancies	69397	132000	105705	151721	10803	73679	-17242	52683	7482	61000	-11460
Gross domestic product (GDP)	3136572 (5.1)	3232072 (7.3)	3314801 (8.7)	3491715 (7.4)	3359162 (7.1)	3432553 (6.2)	3500033 (5.6)	3689678 (5.7)	3547516 (5.6)	3607157 (5.1)	3665003 (4.7)

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

	2018-19 (\$ mn)				2019-20 (\$ mn)				2018-19 (₹ bn)				2019-20 (₹ bn)								
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3						
Current account	-15803	-19054	-17752	-4647	-14417	-6512	-1417	-1059	[-2.3]	-1337	[-2.9]	-1279	[-2.7]	-328	[-0.7]	-1003	[-2.0]	-459	[-0.9]	-101	[-0.2]
Merchandise	-45751	-50037	-49281	-35214	-46182	-38085	-34625	-3065		-3510		-3552		-2482		-3212		-2682		-2466	
Invisibles	29947	30984	31529	30567	31765	31573	33208	2006		2174		2272		2154		2209		2224		2365	
Services	18676	20256	21678	21331	20076	20444	21880	1251		1421		1562		1503		1396		1440		1558	
of which: Software services	18605	19286	19895	19868	20998	21064	21455	1246		1353		1434		1400		1460		1484		1528	
Transfers	17031	19331	17424	16160	17964	19952	18693	1141		1356		1256		1139		1249		1405		1331	
of which: Private	17216	19511	17558	16317	18224	20188	18932	1153		1369		1265		1150		1267		1422		1349	
Income	-5760	-8603	-7573	-6925	-6275	-8822	-7364	-386		-604		-546		-488		-436		-621		-525	
Capital account	4787	16604	13770	19241	28208	12283	22355	321	[0.7]	1165	[2.5]	992	[1.2]	1356	[2.7]	1962	[4.0]	865	[1.7]	1592	[3.1]
of which: Foreign investment	1427	7612	5199	15856	19041	10389	17802	96		534		375		1117		1324		732		1268	
Overall balance	-11338	-1868	-4296	14162	13984	5118	21601	-760	[-1.7]	-131	[-0.3]	-310	[-0.6]	998	[2.0]	973	[2.0]	360	[0.7]	1539	[3.0]

Figures in square brackets are percentage to GDP.

Foreign Exchange Reserves

Excluding gold but including revaluation effects	2020		2019		2020		Over Month		Over Year		Financial Year So Far		Variation		Financial Year		
	17 April	19 April	19 April	31 March	Over Month	Over Year	2019-20	2020-21	2015-16	2016-17	2017-18	2018-19	2019-20	2015-16	2016-17	2017-18	
	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore				
₹ crore	3385740	2689900	3344616	91936	695840	14260	41124	218620	25300	353270	68050	668976	16297	10160	53217	-14168	56831
\$ mn	443311	387489	443645	4800	55822	676	-334	16297	10160	53217	-14168	56831	16297	10160	53217	-14168	56831

Monetary Aggregates

₹ Crore	Outstanding 2020	Over Month	Over Year	Variation				
				Financial Year So Far		Financial Year		
				2019-20	2020-21	2017-18	2018-19	2019-20
Money supply (M ₂) as on 10 April	16991626	465060 (2.8)	1571050 (10.2)	-11491 (-0.1)	191695 (1.1)	1170657 (9.2)	1469480 (10.5)	1367864 (8.9)
Components								
Currency with public	2391299	82987 (3.6)	305694 (14.7)	33395 (1.6)	41583 (1.8)	495583 (39.2)	292497 (16.6)	297506 (14.5)
Demand deposits	1601947	25912 (1.6)	118260 (8.0)	-142825 (-8.8)	-135745 (-7.8)	86962 (6.2)	142800 (9.6)	11180 (6.8)
Time deposits	12958954	352909 (2.8)	1135509 (9.6)	101841 (0.9)	284938 (2.2)	585266 (5.8)	1026348 (9.6)	952412 (8.1)
Other deposits with RBI	39426	3251 (9.0)	11586 (41.6)	-3902 (-12.3)	919 (2.4)	2817 (13.4)	7835 (32.8)	6765 (21.3)
Sources								
Net bank credit to government	5331924	293126 (5.8)	801815 (17.7)	141620 (3.2)	425341 (8.7)	144799 (3.8)	387090 (9.7)	518094 (11.8)
Bank credit to commercial sector	10991984	195498 (1.8)	741478 (7.2)	-132213 (-1.3)	-46660 (-0.4)	802225 (9.5)	1169004 (12.7)	655925 (6.3)
Net foreign exchange assets	3839237	77772 (2.1)	752455 (24.4)	15941 (0.5)	40335 (1.1)	364065 (1.2)	148546 (5.1)	728061 (23.7)
Banking sector's net non-monetary liabilities	3197835	101337 (3.3)	725125 (29.3)	36840 (1.5)	227321 (7.7)	140995 (6.8)	235395 (10.7)	534644 (21.9)
Reserve money as on 17 April	3016027	-64329 (-2.1)	222779 (8.0)	22766 (0.8)	-13647 (-0.5)	518300 (27.3)	351702 (14.5)	259192 (9.4)
Components								
Currency in circulation	2506266	96673 (4.0)	318201 (14.5)	51294 (2.4)	58987 (2.4)	494078 (37.0)	307423 (16.8)	310508 (14.5)
Bankers' deposits with RBI	470869	-162470 (-25.7)	-106145 (-18.4)	-24955 (-4.1)	-73019 (-13.4)	21405 (3.9)	36444 (6.4)	-58081 (-9.6)
Other deposits with RBI	38892	1468 (3.9)	10723 (38.1)	-3573 (-11.3)	385 (1.0)	2817 (13.4)	7835 (32.8)	6765 (21.3)
Sources								
Net RBI credit to Government	1211995	215980 (21.7)	343569 (39.6)	66475 (8.3)	219803 (22.2)	-144836 (-23.3)	325987 (68.5)	190241 (23.7)
of which: Centre	1212009	217491 (21.9)	347778 (40.3)	62958 (7.9)	221468 (22.4)	-145304 (-23.5)	326187 (68.8)	189268 (23.6)
RBI credit to banks & commercial sector	-426925	-262282 (159.3)	-532950 (-502.7)	-46826 (-30.6)	-226032 (112.5)	372643 (-120.5)	89478 (0.0)	-353744 (0.0)
Net foreign exchange assets of RBI	3658405	140190 (4.0)	793873 (27.7)	15945 (0.6)	68003 (1.9)	363571 (15.2)	87806 (3.2)	741815 (26.0)
Govt's currency liabilities to the public	26315	0 (0.0)	427 (1.6)	0 (0.0)	0 (0.0)	572 (2.3)	236 (0.9)	427 (1.6)
Net non-monetary liabilities of RBI	1453763	158217 (12.2)	382140 (35.7)	12828 (1.2)	75421 (5.5)	73650 (8.8)	151805 (16.7)	319547 (30.2)

Scheduled Commercial Banks' Indicators (₹ Crore)

(As on 10 April)	Outstanding 2020	Over Month	Over Year	Variation				
				Financial Year So Far		Financial Year		
				2019-20	2020-21	2017-18	2018-19	2019-20
Aggregate deposits	13714927	375838 (2.8)	1184764 (9.5)	-43608 (-0.3)	147435 (1.1)	668390 (6.2)	1147721 (10.0)	993721 (7.9)
Demand	1481652	24145 (1.7)	113429 (8.3)	-143064 (-9.5)	-135351 (-8.4)	88843 (6.9)	141004 (10.3)	105716 (7.0)
Time	12233275	351693 (3.0)	1071335 (9.6)	99456 (0.9)	282786 (2.4)	579547 (6.1)	1006717 (10.0)	888005 (8.0)
Cash in hand	85170	3644 (4.5)	5695 (7.2)	4598 (6.1)	-2090 (-2.4)	-1295 (-2.1)	14812	12383 (16.5)
Balance with RBI	401621	-149399 (-27.1)	-103079 (-20.4)	-61007 (-10.8)	-103510 (-20.5)	16906 (3.3)	40021 (7.6)	-60576 (-10.7)
Investments	3925665	130652 (3.4)	484425 (14.1)	60184 (1.8)	232095 (6.3)	287494 (9.5)	62602 (1.9)	312514 (9.2)
of which: Government securities	3924509	137493 (3.6)	484311 (14.1)	61197 (1.8)	239592 (6.5)	287657 (9.5)	61594 (1.9)	305916 (9.1)
Bank credit	10339299	198806 (2.0)	694512 (7.2)	-126936 (-1.3)	-31562 (-0.3)	783965 (10.0)	1146298 (13.3)	599138 (6.1)
of which: Non-food credit	10285226	205125 (2.0)	676369 (7.0)	-121256 (-1.2)	-33872 (-0.3)	795906 (10.2)	1146677 (13.4)	588985 (6.1)

Capital Markets

	24 April 2020	Month Ago	Year Ago	Financial Year So Far		2019-20		End of Financial Year			
				Trough	Peak	Trough	Peak	2017-18	2018-19	2019-20	
S&P BSE SENSEX (Base: 1978-79=100)	31327	(-19.8)	26674	39055 (12.8)	27591	31863	25981	41953	32969 (11.5)	39714.20 (12.4)	29816 (-21.8)
S&P BSE-100 (Base: 1983-84=100)	9268	(-22.0)	7866	11883 (7.8)	8180	9431	7683	12456	10503 (12.1)	12044.07 (9.1)	8693 (-25.2)
S&P BSE-200 (1989-90=100)	3862	(-21.6)	3280	4929 (5.7)	3416	3930	3209	5185	4433 (12.0)	4986.55 (7.1)	3614 (-25.1)
CNX Nifty-50 (Base: 3 Nov 1995=1000)	9154	(-21.9)	7801	11726 (10.5)	8084	9314	7610	12362	10114 (11.0)	11922.80 (11.1)	8660 (-24.3)
CNX Nifty-500	7493	(-22.6)	6365	9688 (3.2)	6638	7625	6243	10119	8912 (12.6)	9805.05 (5.3)	7003 (-26.3)

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

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The *Paan* on My Plate

From Bread to Identity

Brought to India from the tea estates of Sri Lanka, *paan* is a humble bread that tells the story of Indian Tamils who migrated to Ceylon as indentured labour.

AKSHYAH KRISHNAKUMAR

Our Thursday dinners were always the same: *paan*, a crudely made coarse bread with fluffy insides, which makes a loud crunch with each bite. It is usually paired with *sambal*, a spicy Ceylonese preparation made by pounding freshly grated coconut with grated fiery red chillies. My grandmother says that *sambal* tastes best when *maasi* (powdered dry fish) is sprinkled over it, adding a tangy and earthy flavour which cannot be replicated by anything else. In fact, during her childhood in Sri Lanka, or Ceylon as it is still nostalgically referred to by most Indian Tamils from Ceylon, *maasi* was as ubiquitous as salt in their everyday cuisine. Today, we continue to use *maasi* in our household, but sparingly, almost like a guilty pleasure, to add zing to an otherwise boring lunch of pumpkin sambar, rice, and sautéed carrots and beans.

My grandparents were among the hundreds of Indian Tamils (or Hill Country Tamils) who returned to India from Ceylon in the 20th century during the civil wars that ravaged the teardrop-shaped island. My childhood memories are peppered with oral stories of ship voyages, telegrams to India, wartime rationing of food and, more importantly, spicy Ceylonese food and food habits. Today, as I try to trace my history, I see its linkages to Ceylon most prominently on my plate. Ironically, that phase of our history began due to the emptiness of my ancestors' plates. During the disastrous famines in South India in the late 19th century, hunger deaths became an ordinary, everyday occurrence. As a result, several farmers from the rice-growing belt along River Kaveri migrated as indentured labourers, to the newly created Ceylonese tea plantations—and among them were my emaciated ancestors.

Today, there still exists a bus stop in Tiruchirappalli (also known as Trichy), on the banks of the Kaveri, that is known locally as the Ceylon Office bus stop. A hundred years ago, several malnourished young men and women stood in long queues to buy passes on ships sailing to Ceylon. They were swayed by stories—partly true—of days of hard labour being rewarded by free toddy, regular food rations, and a cool climate. After their enrolment, they were taken for a medical check-up to camps in Dhanushkodi at the southern-most tip of the Indian peninsula, and were administered smallpox vaccination and several rounds of laxatives (to flush out any virus or toxins from the body) for over a week. Then, not

unlike cattle, they were all huddled into cramped compartments on ships and taken to the exotic land called Ceylon with its lush greenery and promise of unlimited toddy.

However, life in the tea plantations was hardly a vision of the promised land. The only redeeming quality, as my great-grandfather jokingly narrated to his scandalised grandchildren, was the slumberous toddy sweetened by coconut milk and *karupatti* or black jaggery infusion. But, my grandparents disagreed. For them it was the food—the spicy and tangy Ceylonese food which made the chilly winters bearable, and the overwhelming use of coconut milk which is soothing in even the hottest of summers. Decades later, and after surviving years of conflict and migration, my family and others like mine continued to hold on to their culinary traditions. However, today, I see these traditions slowly, but surely, fading into oblivion.

As a descendant of Indian Tamils from Sri Lanka, I have been privy to several such stories, recipes, and culinary cultures. My grandmother, having been brought up as a playmate to the British tea estate owner's daughter, remembers breakfasts with *paan*, marmalade, jams and margarine. In fact, throughout the tea estate, the regular breakfast for the labourers consisted of either *paan* or thick, flattened *roti* made of wheat flour and huge chunks of grated coconut, usually eaten with spicy *sambal*, not unlike my Thursday dinners.

Interestingly, variations of *paan* are found throughout the colonial empire, like Bunny Chow, the popular South African street food made by filling spicy curry in hollowed-out bread. My ancestors in Ceylon also filled their hollowed-out *paan* with *sambal* and took it along with them to the tea estate, but primarily because they did not have enough utensils to use as lunchboxes. In those areas of Trichy that are home to Hill Country Tamils, *paan* is still available—but not in shops or houses or even restaurants specialising in Sri Lankan cuisine. Instead, an erstwhile tea estate labourer in the neighbourhood prepares this coarse bread in his house and hand-delivers it to all the households every Thursday.

To the uninformed, it would almost seem like a covert operation: *paan* is sold only to Hill Country Tamils settled in Trichy; the demand depends solely on word-of-mouth promotions; it is not served or eaten in these households as a delicacy but rather as a secret comfort food; and almost no one outside of the makers and the partakers are aware of the

In many ways, perhaps, *paan* is synonymous with their identity as Indian Tamils from Ceylon. The recognition of its history and consumption is real, but not as a form of a shared sense of solidarity or a proud badge of their collective migratory survival

existence of paan. In many ways, perhaps, paan is synonymous with their identity as Indian Tamils from Ceylon. The recognition of its history and consumption is real, but not as a form of a shared sense of solidarity or a proud badge of their collective migratory survival. Rather, paan, like their identity, is practised in closed and individual spaces (in this case a household) and as a guilty necessity that cannot be shaken off. Replace paan with their other foods like maasi, sambal, and *polaska* curry (made with unripe jackfruit), and the way they consume it is the same—as nostalgia and a guilty pleasure.

However, one would be wrong to assume that this community was always reticent about their colonial pasts and journeys. My aunt recalls times when meat and fish were only sold in shops on the outskirts of Uraiyur in Trichy where she grew up. She remembers feeling shy and even ashamed whenever they visited these shops for it was in the “untouchables” neighbourhood and she did not want her neighbours to know what her food was and where it came from. But, in the latter part of the 20th century, these things changed. With the coming back of the Indian Tamils, eating fish—an important part of their daily cuisine—was normalised and the shops selling them were brought into the towns. The taboo associated with eating non-vegetarian food was relatively less and even unknown in parts of Ceylon due to their close interactions with British colonisers and tea estate owners, and the low presence of Brahmins and vegetarians in the hill country. In fact, it wouldn't be far from the truth to claim that their repatriation and occupation of several parts of the towns of Trichy, Coimbatore, and Kodaikanal in Tamil Nadu diluted the caste-based geographical divisions and contributed to the sentiments of the anti-Brahminical movements and politics of the region. But that's a discussion for another article.

Two months ago when I visited my aunt in Trichy, I looked forward to eating *idiyappam* (string-hoppers made out of rice) with coconut *sothi* (a flavourful stew). I was not disappointed. We finished off dinner with *lavariya*—a sweet dish made of steaming-hot string-hoppers stuffed with karupatti, grated coconut, cardamom and cinnamon. But instead of savouring the culinary paradise laid out in front of us, we talked about how the new Citizenship Amendment Act (CAA) and the National Population Register (NPR) exercise were going to affect the Indian Tamils from Ceylon. While their citizenship is not in question, in times of unidimensional hyper-nationalism where any expression of diversity, including in the personal spaces of homes and households, is “othered” and therefore suspicious, it is but a matter of time before their foods, their histories and their culinary traditions die out. Three months ago, the paan seller in Trichy died, and, with him, the tradition of having paan every Thursday in Indian Tamilian households. No one knows how to make it, and no one dare anymore.

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Lending a Voice to Baahubali Of Animal Rights and a Champion Goat

The film *Chopsticks* initiates a conversation on where our food comes from, drawing attention to the commercial breeding and commodification of animals for human consumption.

P P VIJAYALAKSHMI, RAJLAKSHMI KANJILAL

Through his acceptance speech at the Oscars earlier this year, Joaquin Phoenix urged people to be compassionate and mindful in our relationship with all living beings, particularly those that are systematically ignored and marginalised, including animals. The essence of this message is reflected in *Chopsticks* (2019), a coming-of-age Netflix Original film in Hindi that follows the misadventures of a young professional whose new car gets stolen. Nirma Sahastrabuddhe's path crosses with Artist (a con man), Faiyaz bhai (a criminal),

It is here that, for the first time, Faiyaz bhai makes the connection between Baahubali, a sentient being, and the goat slaughtered and presented before him

and Baahubali (a champion goat). A central question that is masterfully woven into the narrative is: Do we truly treat animals as our friends while we continue to eat them?

Faiyaz bhai is the proud owner of Baahubali, the undefeated champion of 99 goat fights, and preparations are underway for Baahubali's 100th fight. Baahubali adheres to a strict regimen that includes a non-negotiable diet. Inadvertently, he eats a piece of chocolate offered by one of his caretakers—an indiscretion that invites the wrath of Faiyaz bhai. At first glance, Faiyaz bhai's rather unusual and possessive relationship with Baahubali may come across as vain. He anthropomorphises Baahubali with a name that he translates as “strong (bali) armed (bahu),” and pays homage to the hit film *Baahubali* (2015). This ascribing of human characteristics to Baahubali indicates that he is more than just a pet. At the same time, we can be certain that the director is evoking the phrase *bali ka bakra* (the sacrificial lamb).

The carefully constructed relationship between Faiyaz bhai and Baahubali resembles one between a father and a son, as opposed to a man and his property, which is quite similar to the characters Mija (little girl) and Okja (super pig) in Bong Joon-ho's *Okja* (2017).

Baahubali's birthday is celebrated with grandeur—with cake, live music, and a feast—and the entire community in attendance. In a scene that is as comic as it is a wake-up call of

sorts, Faiyaz bhai realises that mutton is being served at the party. Both appalled and disgusted by the insensitivity of the caterers, he asks, “How is he [Baahubali] going to feel when he sees his brothers served on a plate?” It is here that, for the first time, Faiyaz bhai makes the connection between Baahubali, a sentient being, and the goat slaughtered and presented before him. Through absurdist comedy, the filmmaker takes us back to the question of whether a person who truly cares about non-human animals can slaughter and consume their meat.

Faiyaz bhai does not differentiate between Baahubali and the slain goat while he acknowledges both as sentient—conscious, living beings who have the capacity to feel pain. According to utilitarian philosopher Jeremy Bentham in *An Introduction to the Principles of Morals and Legislation* (1789), “The question is not, ‘Can they reason?’ nor ‘Can they talk?’ but, ‘Can they suffer?’” Peter Singer in *Animal Liberation: A New Ethics for Our Treatment of Animals?* (2009) furthers Bentham’s hypothesis, stating that it is imperative to include non-human animals inside the moral sphere of concern, urging people to abandon all practices that contribute to the perpetual pain and suffering of non-humans.

The dark underbelly of the animal agriculture industry is exposed in *Okja*, in which super pigs are raised and slaughtered in a factory farm in a graphic manner, laying bare the ethics and gruesomeness of breeding non-human animals for human consumption. In *The Case for Animal Rights* (2004), Tom Regan draws attention to factory farms which perpetually violate the individual rights of non-human beings as the system blatantly disregards the animals’ inherent value and moral right to life. The animal rights movement is often censored and mischaracterised as it employs methods that evoke strong emotional responses to raise uncomfortable questions. Consequently, the movement is often mistaken as a means of passing judgment and infringing on another individual’s freedom of choice. But, the core objective of the movement is to fight the oppressive industry that continues to exploit animals for commercial gain, and to make consumers aware of the ongoing horrors within the confines of slaughterhouses.

Activists maintain that the only acceptable solution to end the continued enslavement of non-human beings is the dissolution of commercial animal agriculture altogether. On the other hand, welfarists endorse the idea of humane slaughter and wrangle with animal rights advocates, who reject this on the principle that any form of exploitation is non-negotiable. The novelist Jonathan Safran Foer, in *Eating Animals* (2009), writing about the increase in demand for factory farms across the world, particularly in India and China, had warned that it could lead to an increase in pandemics, food-borne illnesses, and antimicrobial resistance. Although there isn’t enough evidence pointing to a connection between the current COVID-19 pandemic and wet markets where animals are traded, we know that the previous bird flu outbreak originated in a wet market.

The ethical and moral implications of the commodification of animals are highlighted in *Chopsticks*. Nirma kidnaps Baahubali as a bargaining chip to get back her car. However, in due course, she realises that Baahubali is a sentient being and not an object to be traded. This epiphany leads her to take Baahubali back to his home. A publicity still from the film echoes this message, with a justice balance on Nirma’s head where Baahubali is placed on the right as the balance tilts towards him and Nirma’s car is placed on the left. The message that sentient beings are more than mere objects is aptly communicated.

Chopsticks shies away from making bold statements and toes the line, steering away from controversy. Nevertheless, the film succeeds in its attempts to draw the audiences’ attention to the breeding, transport, and consumption of non-human beings like lifeless commodities. The film thoughtfully initiates a conversation about where our “food” comes from and urges audiences to reflect on this point without being preachy and judgmental, or issuing ultimatums. The film ends with a shot of Nirma and her clients enjoying a plate of biryani, without lingering on or commenting on what is on her plate since food preferences are a deeply personal choice. At the same time, *Chopsticks* does give the audience some food for thought on the complicated, exploitative relationship that we share with animals.

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The Art of Storytelling and Listening

Rescripting Inner Narratives

It is important to listen to the stories we tell others and ourselves as they have a deep bearing on our identities.

INDU DIVYA

A couple of months ago, I was at a café, one of my regular hangouts. Once I had settled, a member of the very friendly staff came by. Smiling, she poured me a glass of water and launched into a conversation.

“Are you ok?” she asked.

“Absolutely! How have you been?” I smiled.

“Am good, but you seem exhausted,” she said in a well-meaning tone, looking at me a little longer.

“Oh no, I am good, really, thanks,” I smiled a little broader hoping it would convince her. Without prodding, she deftly manoeuvred the conversation away, took my order and left. Although I didn’t say so, she was right; and, most certainly, tuned in. Something was, indeed, bothering me.

Some people, regardless of whether or not they know you well, can effortlessly read your mind or gauge your feelings even when no words are spoken. But can we read our own minds as effortlessly? When you are engaged in a conversation or are alone by yourself, do you clearly hear what is being expressed? Most of us are hardly present. Often, in a conversation with another person, we are already thinking of how or what to respond with, how to steer the conversation, or perhaps, we have already slipped into our own thoughts. And sometimes, when we think we are by ourselves, the truth is that we aren't really. We are alone, yes, but we are preoccupied with our electronic devices—phone, television, iPad, or something else. However, if we tried to listen more consciously, practising self-awareness, we would perhaps arrive at many realisations—for instance that we ourselves don't practise what we preach, or that we definitely crave validation despite believing otherwise.

In one such moment of quiet reflection, musing on my favourite stories as a professional storyteller, I was pleasantly surprised. The common thread linking some of my favourites was my childhood and the people these stories brought to mind, and not necessarily the story's plot or characters. The *Kakkamma Bokamma* story (of the crow and sparrow), for instance, brings to mind a vivid picture of Daddy telling my brother and me that story while we lay in bed. As a kid, I enjoyed that nightly ritual, and it is one of the fondest memories I have of a man I loved dearly. Growing up, I hoped to be able to tell stories to my children just like he did. And, I did.

Consider the stories you like. If you took the time to reflect on why you like them, like me, you might have interesting revelations too. In all likelihood, it might be because the story reminds you of a time or person that is special, and/or the characters in the stories and their responses to situations, or the essence of the stories resonates with what you believe in. Either you see yourself or a loved one in those characters, or you aspire to be like them.

Stories help shape our identities. It is important for us to acknowledge and remember that even though we may not be doing it for a living, we are all storytellers. Stories and storytelling are how we process and connect with the world around and within us. The stories we tell others and, more importantly, those that we silently tell ourselves have a deep bearing on our identities. And, as important as the telling of these stories is the act of listening to them.

One of the most important stories we listen to is our internal story. Deeply entrenched in our mind, it shapes the course of our lives, including how we perceive ourselves and our identities. This internal narrative is influenced by our immediate environment, beliefs, values, the media we consume, and our own experiences. Luckily, we have the power to rescript it at any point in time. But, for that, we need to be mindful and listen—quietly and consciously—so that we can identify the

stories we tell ourselves, recognise why we tell them, and gauge if, indeed, they serve us well or not.

A couple of years after I got into professional storytelling, a few of my peers and well-wishers suggested that I record videos of my storytelling and post them online. Much as I loved the suggestion and saw the benefit in doing it, I found myself stalling. One day, sometime last year, a memory popped up that contained the answer to why I was stalling: a video of mine, from years ago, that fetched unflattering comments about how I looked on camera. Hurtful, the comments had left me scarred. I never wanted to be on video after that episode.

I decided it was now time to change that notion I held about myself because it was holding me back from letting my work reach a wider audience. Being cognisant of the reason I was stalling, and the narrative I had woven around it, helped me break free and recreate a fresh, more uplifting narrative for myself. Consciously and consistently feeding myself the new story helped. In a few weeks, I felt inspired and ready to work on a mini video series on storytelling, posting it online too.

As a professional storyteller, one of my biggest learnings has been that the act of listening is more significant than the act of telling. It is only when we truly listen that we can fully comprehend the world around us and tell a better story. Conscious listening requires that we be quiet and present so that we may completely absorb and experience a moment with all of our senses. Only then can we truly understand what is being experienced or communicated, including that which is not verbally expressed. Listening, then, becomes not just a skill but a gift that can help us demonstrate more compassion and empathy—like the discerning woman at the café—and reframe our perception of ourselves and those around us. So, what's your story?

Indu Divya (indu.divya.247@gmail.com) is a Chennai-based storyteller, story coach, and founder of The Narrative, a storytelling brand that helps people harness the power of their own stories.

We are all storytellers. Stories and storytelling are how we process and connect with the world around and within us

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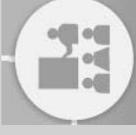
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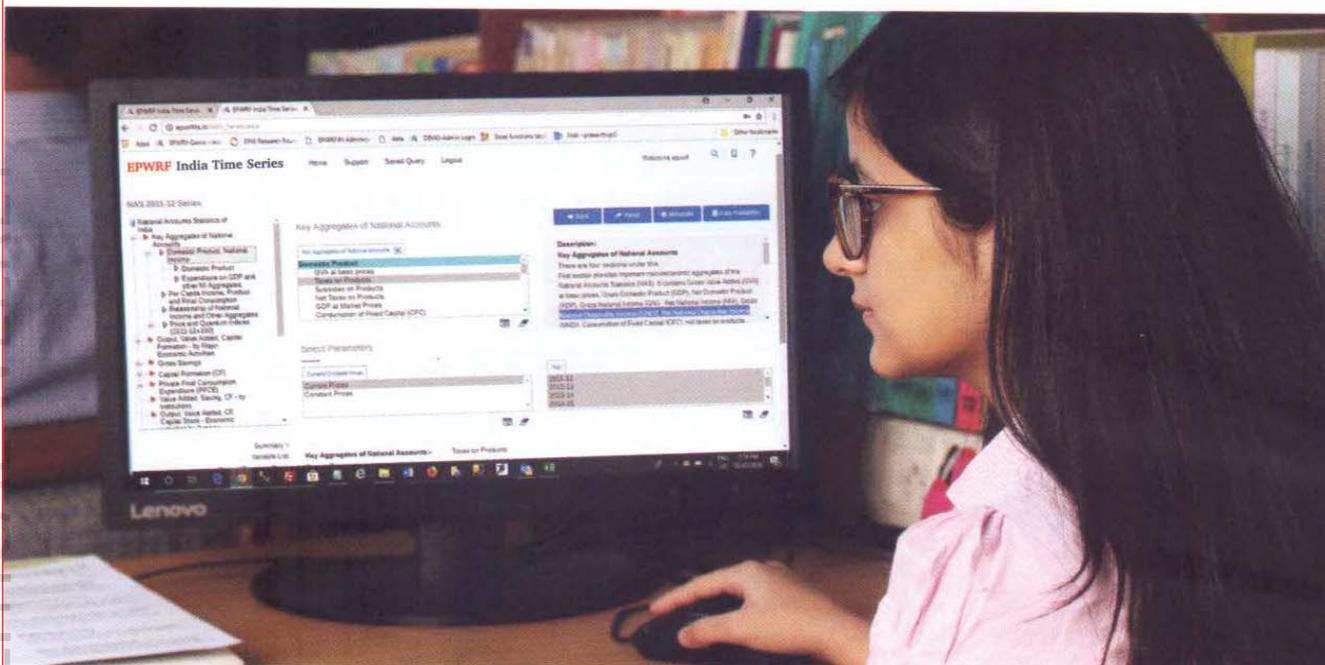


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